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ABSTRACT

These proceedings highlight the Institute for International Education's forum on the implications of the emergence of a global economy and the worldwide communications revolutions for international education and training. Over 200 individuals from the corporate, foundation, government, academic, and diplomatic communities participated in the forum. The proceedings provide summaries of: (1) opening remarks by Senator Daniel Patrick Moynihan; (2) a session on global economics, featuring presentations by Peter C. Goldmark, Jr., Julia Chang Bloch, H. Onno Ruding, Rajat Gupta, Henry Kaufman, and Paul Kennedy; (3) a session on communications and culture, featuring presentations by Max Frankel, John Mayo, Lyndall Shope-Mafole, Henry Louis Gates, Jr., Alfred Stepan, and Lou Dobbs; (4) the keynote address by President Mary Robinson of Ireland; and (5) the closing remarks by Richard M. Krasno. (MDM)

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INVESTING IN HUMAN CAPITAL

Leadership for the Challenges of the 21st Century

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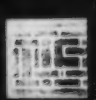

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INVESTING IN HUMAN CAPITAL

Leadership for the Challenges of the 21st Century

THURSDAY, OCTOBER 27, 1994

Edited Proceedings

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The Institute of International Education (IIE) is the United States' largest nonprofit educational and cultural exchange agency. It designs and implements international programs for sponsors that include the U.S. government, foreign governments, corporations, foundations, universities, and international organizations. IIE also provides educational and information services to the public and academic community and convenes educators, policymakers, and funders to discuss education and training needs and map strategies for cooperative action.

By enabling outstanding men and women to study, conduct research, receive practical training, or provide technical assistance outside their own countries, IIE works to create the human resources needed to build democratic, pluralistic societies and market economies; strengthen the international competence of U.S. citizens; foster mutual understanding; and build global problem-solving capabilities.

IIE forges partnerships between the public and private sectors to design and implement international programs in all countries and all fields. Each year the Institute administers 250 programs through which 10,000 men and women from 170 nations participate in educational and cultural exchange.

This publication is based on the transcription of the IIE 75th Anniversary Forum, held October 27, 1994, at the Celeste Bartos Forum of the New York Public Library. For reasons of space and clarity, the publication includes edited excerpts from all speakers' formal presentations, including opening and keynote addresses, as well as condensed highlights of the discussion period following each panel. Thoughts and opinions expressed at the Forum are those of the individuals and do not necessarily represent policy positions of IIE.

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INTRODUCTION

HENRY KAUFMAN *Chairman, IIE Board of Trustees*
RICHARD M. KRASNO *President and CEO, IIE*

IIE CONVENED ITS 75TH ANNIVERSARY FORUM ON OCTOBER 27, 1994, to examine two global phenomena that are reshaping lives and nations—the emergence of the global economy and the worldwide communications revolution. Our purpose was to explore their implications for international education and training. More than 200 decision makers from the corporate, foundation, government, academic, and diplomatic communities joined in exploring the demands these developments will make on today's and tomorrow's leaders and citizens.

Key issues addressed included the need to encourage free markets and nascent democratic institutions while protecting the latter from the excesses of the former, to understand and temper emerging ethnic strife, to ensure equitable access to the awesome potential of instant worldwide communications, and to use ethnic, gender, and international diversity in the work place as a valuable resource in the global marketplace.

Economically, international education engenders a habit of thinking globally and fosters the broad perspective that has served us well in the advanced industrial countries. These are the very qualities that we must continue to support, not only to set a good example to those nations that are just making the transition to a market-based economy, but also for our own good, even in the face of occasionally shrill voices from within our own country that sometime overlook how we got to be an economic success in the first place.

It is clear that international education must play a central role in the coming century. To prosper in the global marketplace, men and women must learn not only specific disciplines but also other languages and how to understand and work effectively in other cultures. Indeed, to be an informed citizen in today's world, international literacy is essential.

For all its 75 years, IIE has provided these skills and perspectives through the international educational exchange programs it develops and administers. During the Forum, diplomat and banker Julia Chang Bloch observed: "IIE probably has touched or trained citizens of every country on this globe.... So, who better than IIE to forge the work force of the twenty-first century where color, gender, age, and culture will not matter and where diversity will be considered an asset, not a liability."

This remains IIE's commitment, and one that we make with full awareness that we are heading into a world of unprecedented technological potential. The ability to access, instantaneously, remote expertise in the form of databases, universities, and professionals around the globe, the possibilities of interactive multimedia and of virtual classrooms—all raise profound questions about the human and cultural dimensions of the educational process, while offering incredible opportunities for outreach, interaction, networking, and problem-solving across national borders. The key challenge for the future will be to determine how these emerging technologies can be used to enhance the learning process, extend its benefits, and bring international talent and expertise together around shared problems in new and creative ways.

Addressing issues of economic context and technological means, the Forum served as a stimulus to the Institute's work in international education. We hope that you, too, find the discussions that follow both useful and thought-provoking.

MESSAGE FROM THE CO-CHAIRS

VARTAN GREGORIAN AND ANDREW HEISKELL
IIE Trustees and Co-Chairs, 75th Anniversary Forum

IN THE FALL OF 1994 we were delighted to help the Institute of International Education celebrate its 75 years by co-chairing a landmark anniversary event: a day-long Forum, "Investing in Human Capital: Leadership for the Challenges of the 21st Century." We chose this theme carefully, believing that these dozen words embody IIE's fundamental mission, and that this event was an ideal way in which to celebrate the Institute's long history.

Vartan Gregorian, President, Brown University (left), and Andrew Heiskell, former Chairman, Time, Inc.

We were privileged that so many distinguished individuals participated in this important dialogue. The Forum's speakers offered an extraordinary breadth of experience and an unparalleled level of professional diversity. And it was particularly fitting for IIE that these 14 speakers—acknowledged leaders in business, philanthropy, government, and academia—hailed from five countries on three continents.

The Institute's 75th Anniversary Forum would not have been possible without the generosity of a number of organizations and individuals. We want to take this opportunity to give special recognition to the GE Fund, which sponsored the Forum's session on global economics. GE is a longstanding partner of the Institute's, and we are grateful for its critical early support for this event. We want also to acknowledge Mr. and Mrs. Randolph A. Hearst and the Open Society Institute/Soros Foundations for their leadership gifts for the Forum. In addition, we are grateful to the following for their support: The Tinker Foundation; Arthur Ross Foundation; Exxon Education Foundation; McKinsey & Company, Inc.; and Scudder, Stevens & Clark.

The Forum was a day-long event, and we believe that this publication, which includes edited highlights, captures both its substance and its spirit. Over the course of six hours we were enlightened, provoked, inspired, and engaged by the enormous range of ideas offered at the Forum—ideas that were, in the words of our morning moderator Peter Goldmark, "extraordinarily rich and full of sinew."

As you peruse the pages that follow, we hope that you will agree.

OPENING REMARKS

Senator Daniel Patrick Moynihan

ANDREW HEISKELL BEGAN BY NOTING THE SETTING WE'RE IN, THE NEW YORK PUBLIC LIBRARY. I was brought up in this library in a very important way. I was brought up into an understanding of what the United States could provide for people.

In the 1930s, in the midst of the Depression, I shined shoes, pretty much for a living. But it was a living that was fair enough. I would work between Sixth and Seventh Avenues at the Wurlitzer Building, in a little territorial space of my own. When I had earned $1.10, which was five cents up in the subway, five cents back, and a dollar for the day, I'd come over here as a shoe shine boy, with a black box. I'd take it in the Fifth Avenue entrance and bring it to the check-in desk. It would be accepted, without comment, as if it were an umbrella being presented in the lobby of a Pall Mall club. I'd be given a ticket by a man in a brown cotton jacket. I'd go up in that great room. I was a citizen of the world and of literature. And indeed, for those purposes, I was. I can never repay that debt.

I'm here to talk about the Fulbright experience and the Institute of International Education. IIE sent me off 44 years ago, in 1950, to the London School of Economics. There, for the first time, I learned a dictum of Seymour Martin Lipset, who said, "He who knows only one country knows no country."

If you use the simple analogy of eyesight, it is two eyes that provide perspective. And it was a perspective enormously striking to me at that time—1950, the United States in good condition, untouched by war, and, indeed, enlivened by it. The recovery was extraordinary, and Europe was just climbing out of the ruins. We were victorious allies. I found, though, on arriving at the London School of Economics as a person of liberal disposition, a New Deal democrat, if you like, how extraordinarily suspicious of the United States were most folks there, the academics in particular, and the Left, to be specific.

And then came the Korean War. I was called back. We mustered in Grosvenor Square, got on a train at Waterloo, and in the late afternoon we were crossing the Netherlands on our way, as it would turn out, to Bremerhaven, which was a submarine base the Nazis had built.

I had brought along a library habit that had been imbued here, made possible largely through the GI bill and its book allowance. I brought an enormous volume of Hannah Arendt's, *The Origins of Totalitarianism*.

IIE sent me off 44 years ago, in 1950, to the London School of Economics. There, for the first time, I learned a dictum of Seymour Martin Lipset, who said, "He who knows only one country knows no country."

Daniel Patrick Moynihan *is the senior United States Senator from New York, first elected in 1976. He is the ranking minority member of the Senate Committee on Finance. He was formerly the Ambassador to India, U.S. Representative to the United Nations and President of the United Nations Security Council. Senator Moynihan has also taught at various institutions including Harvard, Syracuse and Cornell Universities. The recipient of 60 honorary degrees, he is the author or editor of 16 books, including, most recently,* Pandaemonium: Ethnicity in International Politics.

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Senator Moynihan with Andrew Heiskell and Vartan Gregorian before his speech.

just then published in Great Britain. This was her masterwork. I brought it along, not to read, really, but to be seen reading. So, I got in this compartment, as they then had in European railways—there were six of us—and I opened it up. Here was the first paragraph. "Two world wars in one generation, separated by an uninterrupted chain of local wars and revolutions, followed by no peace treaty for the vanquished and no respite for the victor, have ended in the anticipation of a third World War between the two remaining world powers. This moment of anticipation is like the calm that settles after all hopes have died."

I read that. Then I read it out loud to the compartment. No one demurred. Finally, a commander, who had a Navy Cross and was the senior officer present afloat said, "There must be a bar car on this train somewhere." And that was that.

I began to sense then the power of Marxism as an idea, the inevitability of the clash of civilizations—the totalitarian, the liberal—you could read it either way, and some did. And some looked both ways simultaneously. The first thing I ever published was a letter from London in *The Nation*, in response to an article by G.D.H. Cole, who suggested that the Korean War was an act of American aggression, intended to invade China and the Soviet Union. I said, "No, no, no, surely that's not so." I got a surprising amount of mail from the British, Londoners, who said that's obviously right, but that's what they all think.

But having had this experience of the power of Marxism, it became possible for me years later, in different circumstances, to see its decline. Having seen it at the flood tide of its strength, you saw it recede. You couldn't have done that absent the international experience. And it was startling to be in Washington, and see how little this was understood.

In 1979, *Newsweek* had an issue on "what will happen in the 1980s," and I wrote a small piece that said, "Well, in the 1980s, the Soviet Union will break up. That's obvious." And will the world blow up as its constituent parts start using their nuclear weapons one on the other? This issue is not yet resolved. I'm not aware if anyone read the article, but I was then on the Intelligence Committee, and I would make this argument, an argument impenetrable to the intelligence community. They didn't know what you were talking about.

I was once, for a long period, an observer to the Strategic Arms Reduction Talks, the START talks. I remember asking the negotiators, when we were finished with the mind-numbing details of this treaty between the United States of America and the Union of Soviet Socialist Republics, what makes you think there will *be* a Union of Soviet Socialist Republics?

Well, to them this question was not a question. They had never heard it before and went right by it. When the treaty did arrive at the Committee on Foreign Relations, of which I am a member, it was between the United States of America and four countries, of which I think I'd only heard of two. They were Russia, Ukraine, Belarus, and Kazakhstan.

I had the doubtful pleasure of asking the ambassadors who were presenting this to us, "It says here it's a treaty between the U.S. and the U.S.S.R., and then yet it says, no, no, it's these four other countries. How do you know it's with these other four countries?"

They said, "We have letters." I said, "Well, where did you get them?" They said, "We got them in Lisbon." It sounded like a World War II Humphrey Bogart movie. Oh. Got them in Lisbon. I see.

In fact, had we had a better feel for what you could have learned in those years, we might not be in such straitened circumstances as we are today. That failure of understanding of international politics came about because of an insularity about the essential fact, the opposition of ideas, and then a preoccupation with the minute, mechanical fallout of those ideas.

The American political establishment has no real understanding of ethnicity today. There's one answer to it, if there's any answer. And that is to go abroad and study it, and see it, taste it, touch it, feel it.

This clash of ideas is not over. It now assumes yet another phase. At the beginning of this century, there were two commanding, universal ideas. You could call them liberal, if you like, and Marxist, if you choose. The liberal idea, in the general usage in nineteenth-century England, was that the group identity that was called nationalist, or ethnic, was preindustrial and would simply disappear as it became more and more outdated and irrelevant. The other side, the Marxist view, was that economic processes determine all identity, that the class structure determines all social struggle, and that it would be universal in its nature. The red flag is red because the blood of all men and women is red. And that is the universality of the class struggle.

Well, both ideas were wrong. Deeply wrong. And we enter into an age subsequent to that, in which not the only, but the most painful, the most immediate source of conflicts is ethnic. It is ethnic conflict as a post-industrial phenomenon—ethnic conflict as a mode of aggregating interests that is far more effective than any other mode seen on earth just now.

If you look around the world, that is what you mostly encounter. We are two or three generations behind any understanding of it. Just as the American political establishment had no real understanding of Marxism in 1950, it has no real understanding of ethnicity today. We're as unprepared for Bosnia as we were for Leningrad.

And there's one answer to it, if there's any answer. That is to go abroad and study it, and see it, taste it, touch it, feel it. And there's one institution singularly devoted to just that purpose. And that is the Institute of International Education.

You were welcoming to me, a gawky and half-formed youth, nearly half a century ago. There will be others like me coming, possibly to your embarrassment. But with any luck, it all works out, and I'm here to thank you and wish you another three-quarters of a century as successful as the last.

GLOBAL ECONOMICS

Moderator: *Peter C. Goldmark, Jr.* ***Panelists:*** *Julia Chang Bloch, Rajat Gupta, Henry Kaufman, Paul Kennedy, H. Onno Ruding*

PETER C. GOLDMARK, JR.

President, The Rockefeller Foundation

We are one of the first generations for whom the arena of consciousness is the planet as a whole.

THE FUTURE IS IMPORTANT. One of its many attractive characteristics is that it is in front of us. Few exercises are so doomed to inexactitude and disappointment as those that try to foretell where we are going. But in a world where humankind has, for the first time, the tools to blow itself up and to alter such fundamental mechanisms of life as its basic environmental and genetic frameworks, few exercises are so important. So let's approach this subject with a healthy dose of what Keats called negative capability, and what I would call a sensitivity to meaningful uncertainty and openness to believing at once several things that may appear contradictory.

To me, three dimensions only remotely economic raise considerations even broader than the broad economic and human-capital trends we shall be hearing about, but they help to frame those trends.

First, two or three hundred years ago the ratio of gross domestic product per capita in what we today call the North—the industrialized countries—and what we today call the South was roughly one to one. Today it is ten to one. I would argue that one of the processes that must have gone on in the North at a faster rate, though not the only one, is the rate of scientific and technological "progress."

Second, is this a time of paradigm shift, however loosely we use that phrase? Are our fundamental ideas, the crude framework we carry in our minds about how the world is organized and what ideas are useful, shifting or about to shift? I would argue that it's very possible they are, and draw your attention to how our understanding of what progress is has changed and is changing in the face of limited natural resources.

Third, I believe a change is taking place in what I will call the arena of consciousness. For many hundreds of years, when we were organized into hunter-gatherer tribes, that arena of consciousness contained perhaps only 15 to 30 other human beings. We have progressed through the first agricultural communities and larger agglomerations into the age of the nation-state. Now we are one of the first generations for whom the arena of consciousness is the planet as a whole. We belong to the first group of our species who are all ethnic minorities. We barely know the implications and consequence of this, but it may be a fundamental background fact to the age we're entering.

The thoughts we are about to hear will both complicate and enrich our preparation for our future as a species for the next century. That period will include progress. It will include, almost certainly, some upheaval. It will include adaptation—and that may be the most important skill for human beings in their collective form to possess.

If you are still nervous about this whole undertaking, then I invite you, with me, to fall back on that wonderful epigram by Samuel Beckett. "Everything will turn out all right, unless something foreseen crops up."

PETER C. GOLDMARK, JR. *is President of The Rockefeller Foundation. Previously he served as Senior Vice President for the Times Mirror Company, Executive Director of The Port Authority of New York and New Jersey, Director of the Budget for the State of New York, and Secretary of Human Services for the Commonwealth of Massachusetts.*

JULIA CHANG BLOCH

Group Executive Vice President, Bank of America

Today's transnational corporations may be the world's best antidote to ethnic and national fragmentation.

I WOULD LIKE TO TALK ABOUT DIVERSITY IN THE WORKPLACE from an economic perspective. First, I want to look at some of the challenges of the post-Cold War world. It seems clear that the breakup of the Soviet Union and the dissolution of communism diffused but did not end global conflicts. The sources of instability have been or appear to be rooted in racial, ethnic, religious, and national fragmentation rather than in ideological confrontation. At the same time, economic power rather than military force is becoming the measure of national security.

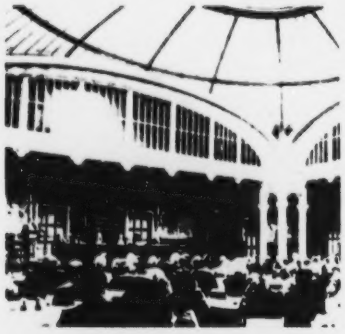
Right now, the U.S. economy is doing quite well in global competition, and U.S. manufacturers are recapturing the domestic market as well. As the U.S. economy rebounds from recession, six million new jobs have been added since March of 1991 when the recovery began. However, the large federal budget deficit and the trade deficit are still serious problems.

To compete successfully in an increasingly interdependent global environment, U.S. businesses will have to identify and utilize every advantage. One advantage is our ability to manage—and benefit from—diversity. Certainly, the Japanese and the Germans don't have it, nor do the Chinese. They have advantages that stem from racial and cultural homogeneity. We, on the other hand, have to learn to use our diversity as a resource—to stop acting as if our culture is defined and circumscribed by a white, male, middle class, American-born norm. According to the landmark Hudson Institute's 1987 Work Force 2000 study, by the year 2000 only 15 percent of the people entering the U.S. work force will be American-born white males, compared with 47 percent in 1987.

At current rates of immigration, by the middle of the next century minorities will make up almost half the U.S. population. According to the U.N. World Investment Report, U.S. companies have doubled their annual foreign investments over the past four years to a record $50 billion in 1993. And economists estimate that by 1999 16.2 percent of U.S. GDP—up from 12.6 percent—will depend on exports.

Diversity in the work force and in the marketplace is no longer just theory. Corporations and business schools have begun scrambling to understand the implications, creating a brand new mini-industry of diversity consultants and trainers. While estimates vary widely, it has been reported that as many as 30 to 50 percent of major corporations and government agencies have some kind of diversity program on the books. Although no study has so far proved conclusively that diverse work forces perform better, a recent University of North Texas experiment found that diversity, while costly in the short run, can be an advantage in the long run. Robert Lattimer, a leading authority on the subject, has found that homogenous groups may reach consensus more quickly but will not generate as many new ideas or solve problems as well as diverse groups.

JULIA CHANG BLOCH *is Group Executive Vice President and Head of Corporate Relations for Bank of America. She previously served as U.S. Ambassador to Nepal. Ms. Chang Bloch has held positions with the U.S. Agency for International Development and the U.S. Information Agency. She has also served as a Peace Corps volunteer and a fellow at Harvard's Kennedy School of Government.*



The Celeste Bartos Forum of the New York Public Library, where the event was held.

Julia Chang Bloch and IIE President Richard M. Krasno.

Consider Solectron, a high-tech company based in California's Silicon Valley. Its 3,200 employees include 30 nationalities speaking 40 languages and dialects. After launching an internal cultural awareness program to help its diverse work force better understand each other and work together, Solectron has more than tripled its revenues during the last three years and won a highly respected Baldrige prize.

Voice Processing Corp., a small Massachusetts company, has, in the words of *The Wall Street Journal*, turned a potential Tower of Babel into a competitive advantage worldwide. Its headquarters staff of only 40 represent 11 nationalities and speak 30 languages. Without their diverse employees, they could not have successfully produced or marketed the company's voice-recognition software program. Foreign customers are expected to account for half of projected fiscal 1995 revenue of more than $10 million, up from 30 percent of pre-1994 annual sales of only $5 million.

We have to learn to use our diversity as a resource.

Large firms also are leveraging diversity as competitive advantage. At Hoechst Celanese, the chemical giant, the polyester textile filament division had lost money for 18 straight years. In the late 1980s it launched a major effort to recruit minorities and women. The division pulled into the black in 1992 and posted a substantial profit in 1993. In a *Fortune* magazine feature, the head of the division said, "We tried everything for so many years, but the business did not perform better until we had a diverse management group."

At Bank of America, we turned compliance with the Federal Community Reinvestment Act into a powerful marketing opportunity, essentially by redefining affordability. We have injected cultural sensitivity into the loan approval process to identify low-income and minority applicants who are good credit risks but may not look good on paper, because, for example, they have changed jobs or residences frequently. This process has given us access to a market that now accounts for more than 50 percent of our home loan applications in California and produces significantly lower delinquency and foreclosure rates.

Yesterday's multinationals have become today's transnational corporations, not strictly American or Japanese or European, but a bit of each. They may be the world's best antidote for the proliferation of ethnic and national fragmentation. How people of different ethnicity, religion, and race can learn to work together will be the human resource challenge of the next century. No one today knows how to do this very well. Human resources experts estimate that, in spite of the current growth of the diversity industry, only 3 to 5 percent of U.S. corporations are diversifying their workforces effectively. This vacuum, I think, is tailor-made for IIE.

H. Onno Ruding

Vice Chairman, Citibank

BASICALLY, I'M QUITE OPTIMISTIC about the recent trends in economic developments. I'll mention five factors. First, the recovery of economic growth in most parts of the world. Second, the former communist countries' transition to market-oriented systems. Third, liberalization in the amount of deregulation, such as GATT and NAFTA. Fourth, the privatization trend in many industrial countries as well in emerging countries. And fifth, the growing integration of many economies in the world in the area of trade, but even more so in private capital movements. At Citibank, every day we see a large flow of capital from OECD countries to emerging markets. All this contributes to efficiency of production and growth.

It is crucial for American companies to see that their staff improve their foreign language capabilities.

I should also cite three negative trends. One is exchange rates. Despite all the talk, I expect that there will be continued instability or volatility of exchange rates worldwide among the dollar, European currencies, and the yen. Number two is the area of interest rates, which in most parts of the world, including the United States and Europe, are too high in real terms—that is, interest rates minus expected inflation. In the long run, this is bad for economic growth. And three, the prevailing tendencies in many countries toward nationalism and xenophobia. Although this may be understood as a reaction to growing immigration, asylum seekers, and refugees, it is still a dangerous and unpleasant development that is having an adverse economic impact in many parts of the world.

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Meeting Corporate Goals

IIE helps far-sighted corporate management succeed in the evolving global marketplace through cost-effective staff training and corporate scholarship programs, and an international-employee locator service. IIE staff-training programs in management, professional, and technical skills are designed to be responsive both to corporate objectives and to national conditions. Scholarships for students from countries in which multinationals do business build both immediate good will and a talent pool of local employees and potential business leaders. Scholarships for children of international employees build multi-generational loyalty. IIE's computer-based Locator Service helps firms find prospective employees among international students—an important resource in today's diverse work force—at U.S. colleges and universities.

On the subject of international human-resources education, one crucial element between economics and education is the labor market situation. What has struck me for many years is the rigidity that still prevails in the labor markets of Europe and Japan. The U.S. situation is much better—less rigid. A major factor in the strengthening competitiveness of American industry, manufacturing as well as services, is the possibility for restructuring, downsizing, cost cutting to achieve higher productivity. You can achieve that only if you have a flexible labor market, as in the United States.

Multinational companies should have an open-society mentality.

IIE Chairman Henry Kaufman (left) with economics session co-panelists Onno Ruding and Rajat Gupta, Managing Director of McKinsey & Company, Inc.

The other factor is unemployment, which is still too high in many parts of the world. This is partly cyclical, due to recession and other economic developments, but also partly structural. It's structural because of rigidity in the labor markets: costs that are too high, minimum wages, and many people—both blue- and white-collar workers—who are unskilled, wrongly skilled, or are unwilling or unable to go for retraining. What is needed is a lot of attention to education—specifically, retraining and re-education—so that workers at high and low levels have the opportunity to update their knowledge and thus increase their value and flexibility in the labor market.

It is also crucial for American companies to see that their staffs improve their foreign language capabilities and to increase opportunities for work experience abroad—in other words, mobility.

Finally, in the private sector, the multinational companies have a major role to play in education and training of their people. At Citibank we play our part, but it requires a substantial investment in human resources, education, training and infrastructure, both here and elsewhere. This should lead to a situation where multinational companies, including American ones, should have an open-society mentality, being willing and able to promote people irrespective of nationality or color or religion or sex. To a large extent we at Citibank have achieved that. We discovered that it contributes to the well-being of a multinational company worldwide. It benefits our staff and also contributes to economic growth in the world.

RAJAT GUPTA

Managing Director, McKinsey & Company, Inc.

I THOUGHT I MIGHT GIVE YOU A LITTLE SNAPSHOT OF WHAT I OBSERVED both in our firm, McKinsey, and in serving in various parts of the world. I grew up in India. I spent the first 21 years of my life there. I then spent eight years in New York working with McKinsey, then seven years in Europe, and another seven back in Chicago. I served many multinational clients and observed the buildup of human capital in many of my client organizations as well as at McKinsey.

McKinsey is a firm of 3,500 professionals and 500 partners in 60 different locations around the world. We hire 1,000 professionals every year—people with advanced degrees in business, mathematics, physics, economics, etcetera. Six hundred of our professionals leave us every year. That's more than 15 percent turnover. What did we learn from managing and developing this enterprise? We learned the value of diversity, of mobility, and of maintaining our unique values.

First, I would underscore this point of diversity. There is no question that if you want to hire and develop talented people in large numbers, you cannot preclude *any* segment of the population. It is just not possible—or wise—to develop that kind of talent pool without women and minorities. You must make the workplace attractive to women and minorities—and allocate resources to recruit, retain, and develop them. There's no question that all of us should have an extraordinary commitment to diversity.

All of us should have an extraordinary commitment to diversity.

But what did we find when we looked at the barriers to diversity? Two important things come to mind. One, as many of you discovered, is the need for flexibility in terms of career paths, work styles, and work intensity. Flexibility in all facets of the work environment will be vitally important to attract the best talent, particularly in the knowledge industries.

The second idea is more subtle and more difficult to address. It is the issue of the paradigm of success prevalent in a particular company. We have a dominantly male culture, a dominantly male paradigm of success. The explicit recognition that there are different paradigms, different styles that can also be successful, can be very important. We have utilized this process of discovery at McKinsey, and I urge all of you to do the same.

Another factor in developing human capital is that mobility is extraordinarily important to an organization like ours. We are an organization that is culture- and values-driven, helped by a common understanding of what the organization stands for. This is helped along extraordinarily by mobility. Ten percent of our staff—a very high number—move around in a particular year. We believe this serves our clients very well

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Rajat Gupta (left) with Victor J. Goldberg, IIE Vice Chairman and Co-Chairman, 75th Anniversary.

and develops our organization. I would urge all of us to really look at at using mobility as a means to build a very strong culture.

Another factor, which is probably peculiar to us, is that our growth has not been achieved through acquisitions but by moving our people and culture into a particular country or location. For example, only recently we opened an office in India. Fortunately, we already had 150 Indian professionals scattered around the globe in our offices. Consequently, it was not difficult for us to start an office which now has 70 or 80 professionals in India, and which still reflects our firm's values.

Globalization has to do with global structures in companies. It has to do with the development of a global culture at the very top, so that the top speaks many different languages.

In terms of the global economy, we at McKinsey have a unique vantage point in seeing globalization of various industries taking place. Globalization is a cliche these days—like "re-engineering." It is not clear in the business world what people mean by it. What does globalization mean to me? It has to do with global structures and global processes in companies. It has to do with the development of a global culture at the very top, so that the top speaks many different languages. Finally, it has to do with global ownership. Although there are very, very few companies today with global ownership that matches their customer base, I think, ultimately, the ownership of large enterprises will mirror the customer base, and there will be global financial markets that will make it happen.

Preparing Business Leaders for the Future

Preparing young Americans to function effectively in an increasingly competitive global economy is a top IIE priority. One significant step in that direction is USAID's Free Market Development Advisers Program. MBA students—all with prior business experience—spend ten months as advisers to small and medium-sized developing-country firms. On returning, they prepare case studies on the experience for classroom use. For all involved—developing-country firms, students, U.S. business schools, and U.S. firms looking for internationally experienced employees—this program represents a wise investment in the future.

HENRY KAUFMAN

President, Henry Kaufman & Company, Inc.

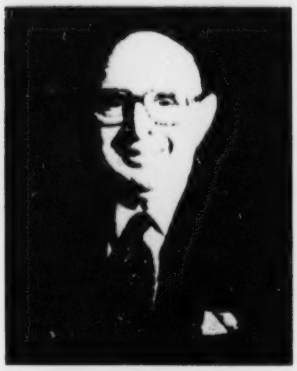
MY TASK THIS MORNING IS TO SPEAK ABOUT THE STRUCTURAL CHANGES in the financial markets and the global economy and their implications for educational priorities. There are profound changes taking place in the structure of finance and the economic system, and I think these will have great significance for financial activity—where it's located, where it's organized, and how it's managed.

In the field of finance, the speed and dimensions of change are astonishing. The traditional segmentation of finance into categories of banking, insurance, and securities activities has faded away. Important new financial institutions—public and private pension funds—have grown from modest to massive size. Mutual funds have increased a hundredfold, both in number and in the volume of assets they invest, and new types of institutions that were exceedingly rare two decades ago—finance companies, mortgage banks, hedge funds—now have great prominence in the marketplace. And at the same time, financial innovation has proceeded at a rapid pace, so that market participants are now able to deploy a dazzling array of complex financial instruments. The upshot of all of this energy and imagination is a financial system in which the infrastructure for credit creation is vastly expanded, and in which the capacity to take risks has been greatly enlarged.

Not surprisingly, the educational requirements to staff this rapidly changing and far more complex financial system have radically changed. Mathematical competence is no longer optional—it's indispensable. Sophisticated computer skills are now taken for granted for professionals and support personnel alike. Analytical and management skills are highly prized. International experience and foreign language capabilities are much more valuable than ever. It should come as no surprise that the educational background of senior management has also been upgraded. The days when the right degree from the right college and family money were sufficient to insure a successful career in banking and finance are gone.

Can the nascent democracies avoid the excesses of the business cycle without setting back public support for democratic institutions?

Another force at work that creates new and complex challenges for the educational system is the ongoing restructuring of important sectors of the American and European economies and the industrial world generally. The United States is well along in this process, but even here, the process is not yet completed. In the meantime we'll see numerous manifestations of restructuring: greater internationalization of the scope and operations of previously domestically-oriented companies; more outsourcing of industrial components from expanding production facilities in the emerging markets; a continued high level of merger and acquisition activity as corporations seek to achieve more efficient scale of operations; and greater investment in computer facilities and information technology to lower costs and enhance capabilities.



HENRY KAUFMAN *is President of Henry Kaufman & Company, Inc., a firm specializing in investment management and economic and financial consulting. For the previous 26 years, he was with Salomon Brothers, Inc., where he was Managing Director. Dr. Kaufman has also served as an economist at the Federal Reserve Bank of New York. Dr. Kaufman is Chairman of the Board of Trustees of the Institute of International Education.*

International education may well be the sine qua non of success in a global marketplace.

Since the late seventies, IIE has administered USIA's Hubert H. Humphrey Fellowship Program. Humphrey Fellows attending the Forum were, from left, Walid Ahmad (The West Bank), Shama Qureshi (Pakistan), and Leyla Unal (Turkey), all students at Rutgers University. Second from the right is Teresa Del Corso, and next to her is Hooshang Amirahmadi, respectively Administrative Coordinator and Program Coordinator for the Humphrey Program at Rutgers.

Changes in the economic and financial landscape will be particularly challenging to many of the nations around the world which are trying to modernize their economic systems, whether they are classed among the developing countries or come from formerly centrally planned economies. Many are handicapped by an inadequate stock of physical capital and therefore need to encourage a high rate of domestic saving, which in turn depends on embracing a culture of moderation and self discipline. It also depends on capable political leadership, not least for supporting an independent central bank which will resist the temptation to seek the deceptively easy route of high inflation. This lesson is elementary, but is frequently breached. Achieving a high level of capital investment often requires significant inflows of foreign capital. Yet, many of the emerging countries still lack a sound institutional framework of laws, regulations, and reliable bureaucratic procedures that investors rely on in order to make substantial commitments.

Where such a framework has been adopted, the benefits have been quick in coming. The flows of capital to the emerging countries have been dramatic in recent years. The gross volume of international bond issues by developing countries rose from $12 billion in 1991 to $59 billion in 1993. International equities issues by developing countries rose from $1.3 billion in 1990 to $12 billion last year.

A very important challenge, however, looms ahead for many developing countries as they continue to access the international capital markets. In recent years, the competition for capital was moderate. The major industrial countries were in recession or in the early stages of a business recovery. Consequently their credit needs were relatively moderate, liquidity was ample, and most central banks in the industrial world were accommodating. With the industrial world experiencing renewed growth, the competition for funds will intensify, liquidity will diminish and higher financing costs are likely.

Moreover, in the new world of finance, the technique utilized to channel capital to emerging countries has been mainly through open market credit instruments—stocks and bonds. In the past, bank loans played the dominant role. As a consequence, countries that will face financing difficulties in the future will see the value of their securities drop sharply. The renegotiating process will be difficult because it will involve a diverse group of bondholders and stock investors, while in the past it was facilitated by commercial bankers who worked closely with official international institutions as well as ministers of finance.

A critical question is, then, can the emerging nations with nascent democracies avoid, if not withstand, the excesses of the business cycle without setting back public support for democratic institutions? There's no simple answer. I am convinced that over the longer term, the successful nations will be those in which the educational system is capable of creating good citizens in government and private industries who have the training, skills, and attitudes necessary for successful formulation and implementation of financial policies that favor restraint over excess, discipline over immediate gratification, and are outward looking and tolerant rather than inward looking and narrowly nationalistic. International education, with the broad perspective it brings, may well be the *sine qua non* of success in a global marketplace.

PAUL KENNEDY
Yale University

When I ask my economist friends to name an emerging job-multiplying industry analogous to the automobile industry, they're silent.

I SUSPECT I'VE BEEN PUT IN THIS PANEL AS A SPOILER, AND I'M TRYING TO FULFILL THAT ROLE. What I'm going to talk about today was provoked by a recent article in *The Wall Street Journal* about the company British Steel. Twenty years ago it was a nationalized industry, one of the largest in Europe, employing hundreds of thousands of men and women.

It was also one of the least efficient steel industries in the world, very uncompetitive against foreign competition. Today the situation is different. British Steel was denationalized and is now a private company. Its once powerful trade union has been smashed, and 33 out of 37 smaller, less efficient, plants have been closed. Massive investments have been made in modern steel-producing equipment. As a result, British Steel is now the most efficient steel company in Europe and among the most efficient in the world.

But the cost in jobs lost has been horrendous. Almost 84 percent of the earlier work force have now lost their jobs. Where once four or five men were employed, only one remains. In consequence, there is large-scale structural unemployment in most of the former steel-producing regions of Britain.

A second example. A few years ago one of the most secure white collar office jobs was that of settling claims for large insurance companies in Hartford, Connecticut—Prudential, Traveler's, Aetna, etcetera. Because of large labor social costs and health care benefits, the companies were driven to find cheaper ways of dealing with claims. Now most of the standard paperwork in this service industry is no longer done in Connecticut. It is done in Ireland or India or Malaysia. There the workers are fluent in English but enjoy earning one-fifth or one-twentieth of the earnings of an American insurance clerk, or at least of an American clerk who is still employed, because one of the more noticeable trends in the economy of the last few years has been the shakeout of jobs in industries like insurance.

What I'm describing is a process very familiar to economists and economic historians. It is a process of modernization, whereby new and more efficient ways of making things and assembling things and servicing things replace traditional methods and practices. Steam power replaces human and animal muscle. The automobile replaces the horse. Electricity replaces candlelight. The result is bad news for weavers and blacksmiths and coachmen, not to mention candlestick makers. But it is beneficial in a macroeconomic sense. Not only does it increase labor productivity and standards of living, but the newer jobs—those associated with steam engines and automobiles and the electrical industry—both require and create the better trained, better educated work force.

After all, this process was seen in its classical form in a metamorphosis of the U.S. economy over the past 200 years. In the early decades of this republic, over nine-tenths of the populace was engaged in agriculture and related activities. Slowly at first, then faster, people moved from the agriculture sector to the indus-

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There is one factor of production that is not being allowed to roam across borders at will. It is labor: people, human beings.

Andrew Heiskell considers the panel's comments.

trial sector. As American society became more wealthy, it also became more complex. Banks, restaurants, shops, gas stations, schools, leisure activities—all grew. And people began moving out of the industrial sector to the service sector, while the agriculture share continued to shrink. Greater foreign competition in manufacturing intensified the process.

The figures vary, but at present the United States may have only 3 percent of its population in the agriculture sector, perhaps 18 percent in industry, and 70 to 75 percent in services. Is this not then a natural process, due to be followed by all other societies?

Well, perhaps it is, but a glance at today's global economic condition, with all of its contradictions and complexities, suggests that we shouldn't automatically assume that this form of relatively benign modernization, which took 200 years in the case of the United States, will spread easily from continent to continent.

First, from what new inventions and in what new fields might we expect future job-multiplying industries? The shipbuilding industry of Western Europe in the seventeenth and eighteenth centuries was one such multiplier, stimulating many ancillary trades and industries. Steam-driven textile machines were another. The mid-nineteenth century railway was another. The automobile was an even greater job multiplier. In more recent times, we might list the aircraft industry and air transportation. These were job multipliers because the automobile generated not just employment in Ford or Hyundai, but among thousands of suppliers, gas station attendants, highway construction crews, and so on. Today's new technologies, things like biotech, seem to require only Ph.D.s. Or, like robotics in Japan, they seem to be destroying more jobs than they create. When I ask my economist friends to name an emerging job-multiplying industry analogous to the automobile industry, they're silent. Or they point perhaps to health care. And I asked a second question: Is looking after the sick the only significant job-multiplying trend of the early twenty-first century?

Another question: What if no new industries are arising in regions where traditional occupations have been made redundant, as, say, in northern and western parts of France? Agricultural employment continues to tumble despite vast subsidies. Steel, coal, and metal-making shrink and shrink. Even EuroDisney doesn't work. So where are the new jobs coming from?

A related question: How do we best pay for the social costs of shedding, say, 80 percent of jobs in an inefficient steel industry? Do we invite people to move elsewhere, in the American manner; or pay them unemployment insurance, the British and French method; or invest in retraining and retooling skills, as in Scandinavia? What will the political repercussions be? Protectionism? Right-wing backlash? Dislike of foreign competition?

Granted that modernization is unstoppable, how does it work when production of a particular item takes place not just in a specific region like Western Europe in the nineteenth century or East Asia in the late twentieth, but globally, when there are 50 countries with varying wage standards capable of producing soybeans and 70 countries capable of producing steel? It made no economic sense for both England and Portugal to strive to produce both wine and textiles, when England's climate made it a better textile producer and Portugal's climate made it a better wine producer. But Adam Smith's argument in favor of free trade and specialization doesn't really address this issue of multiple competitive sources. And yet it is the basis of free-market economics.

What would the world look like if, sometime in the next century, it replicated the United States in the percentages of the population engaged in each economic sector. If globally, there were only 3 to 5 percent in agriculture rather than 50 or 60 or 80 percent in countries like China? Where would all those farmers and peasants have gone to? The cities? The insurance companies? The health care services? Can we imagine a world of 9 to 10 billion people, the vast majority of whom are in the services sector? Would there also be intense competition in this field as, say, lower-paid lawyers from India offered their services to customers in America and Germany or Australia? Just how far does modernization and global competition go before it challenges every activity, every practice?

It's a bit like national self-determination, another one of those enlightenment concepts which we all agree are good. But how far does national self-determination go before you splinter into the smallest tribes? How far does trade liberalization go?

How far does national self-determination go before you splinter into the smallest tribes?

Finally, and perhaps the most politically explosive question of all, what are the implications for this problem on the continuing growth in world population, especially in poorer countries desperate to find jobs for their adolescent populations? Each year we add another 95 million people to the earth's total. Each year the International Labor Office tells us we need to be creating an additional 40 million jobs globally. If we cannot produce decent employment for millions of young people in America, Europe, Russia, perhaps even Japan, what prospects do we offer to the emerging tens of millions, no, hundreds of millions of men and women in the developing world?

And why should we be surprised, when we project television programs like "Dallas" and "Brideshead Revisited" to the millions, from the North African littoral to the Atacama Desert, that millions of young, ambitious people are planning to move out toward richer Northern countries with the hope of getting a job. Why shouldn't they? Isn't this an age in which all of what classical economists term the factors of production are being liberalized—finance, trade, intellectual property, patents, cultural programs, tourism, student exchange—and becoming part of a globalized system?

But there is one factor of production that is not being allowed to roam across borders at will. It is labor, people, human beings. Is there a basic contradiction there? A globalized economy with one factor of production not allowed to go global? Is it precisely this that will be one of the greatest challenges that our global society faces as it doubles from 5 billion to 10 billion people in the coming half century?

I don't know the answers to these questions, but I know that they are beginning to be asked in parts of Europe, parts of America—alas, they are being asked with the wrong language in California at this very moment—and in other regions of the globe. Perhaps some of you welcome these challenges, these forces for change, while others may be cautious, suspicious, even hostile. In any event, I hope you'll agree that how we respond to modernization, how we relate global transformation to global employment and global migration, is one of the great tests ahead. It behooves all of us involved in international education to think seriously about the challenge.

PETER GOLDMARK
MODERATOR

The overtones of optimism and pessimism have hovered at various times over this morning's comments and it reminds me of a wonderful word from a man named Cabell: "This is how you can tell the optimist from the pessimist The optimist believes we live in the best of all possible worlds. The pessimist is worried that the optimist is right."

panel discussion

GLOBAL ECONOMICS

Edited highlights from the panel discussion

WILL THINGS GET BETTER OR WORSE?

Henry Kaufman

If I look at the century that we've gone through—a series of wars, very difficult conflicts, extraordinary improvement in technology—and see where we've landed compared to 1900, I really think things will get better. I would prefer to be 20 years old rather than 60 today because there is much more to look forward to—a world that is coming together in many ways. True, we have challenges, but the nature of mankind is to overcome problems—not to become downtrodden.

Paul Kennedy

Over the past few years I've noticed an increasing disparity at conferences. The economists and bankers are optimistic about the way the global economy is going. When the focus is upon international politics, the strategists, the political scientists, the defense department people are very gloomy. They're preparing a whole array of scenarios for a lot more Rwandas, a lot more Uzbekistans, and for ecological collapse in China. So, either one or the other of these groups is wrong, or stupid, or they might be looking at different phenomena. We're going to have to find some way internationally of balancing these various bits of information and picking out the differentiated ways in which our world is changing.

WHAT IS THE IMPACT OF INCREASING ECONOMIC GLOBALIZATION?

Henry Kaufman

We are moving to a global financial market, and there is no supervision in a formal sense over the international markets. We have different trading standards, capital standards, and institutions as capital moves from country to country with great rapidity. The United States has multiple regulation of financial institutions and markets. Internationally, we have only the beginning of some agreements. This rapid movement of capital can be a powerful disciplining force, but also a very disruptive one, as we don't have a formal mechanism in place.

Rajat Gupta

World capital flows overwhelm the reserves that any country holds today, so a global law of one price of capital is developing. The result is that the role of central banks, while in some ways growing on the political front, is, in fact, declining as the marketplace sets interest rates around the world, creating a common pool of capital that will flow to seek the highest return. The profit motive will operate more on a global scale than on an individual-country scale.

Governments have to exercise leadership, but how can you expect politicians to exercise leadership when they are afraid they are not going to be elected?

Julia Chang Bloch

HOW CAN THE WORKPLACE BE DIVERSIFIED?

Julia Chang Bloch

Developing a shared culture is extremely important. International education, integrating cross-cultural training into our education system, is probably the only way to move us towards some universal values. In view of the very explosive response to immigration—not just in the United States but in Europe, with their reactions to the guest workers—the labor market is not going to become very mobile in the near future. Governments have to exercise leadership, but how can you expect politicians to exercise leadership when they are afraid they are not going to be elected? So, economies have to grow better and produce more jobs. Only in an expansive economic environment will you have tolerance.

How we define a job has to change. No matter how our society liberalizes, women still have more than one job. Many women today are heading households alone. They may not be able to come to work exactly at eight o'clock and go home exactly at five o'clock. They want flexibility, or to share jobs or, thanks to the information age, to work at home. It's an attitude of thinking differently and seeing that differences are not obstructions.

From left, Peter Goldmark, panel moderator, with co-panelists Henry Kaufman, Paul Kennedy, and Onno Ruding.

IIE Trustees Jean Bronson Kilborne, Diane Paton, Vice Chairman and Co-Chairman, 75th Anniversary, and Henry Kaufman.

Panelists responded to two rounds of questions from the audience.

HOW SHOULD GOVERNMENTS, INTERNATIONAL ORGANIZATIONS, AND NGOS ADDRESS THE CHALLENGES OF THE GLOBAL ECONOMY?

Onno Ruding
There is a continuing large role for the government in education. But in many other areas we should reduce the role of government, not for ideological but for practical reasons. Privatization in many countries has improved society, certainly the economics. But the excesses of the welfare state society in my own part of the world, Western Europe, have proven that government's role has gone too far. One must be very cautious in saying, "Hey, there is a problem, more government involvement will do the trick." The experience is that it's not frequently the case.

Henry Kaufman
Organizations such as the World Bank and the IMF were creatures of the immediate postwar period, and in many ways they served well and in others they did not. In the long run they have to restructure to meet the changing requirements of what's going on in the world.

Paul Kennedy
We have this world organization, the United Nations, which nation-states set up 50 years ago this month. It has performed a lot of things well and done some things awfully, but it is there to try to deal with the large numbers of global challenges facing us, whether it's migration, human rights, cultural diversity. We've lost faith in it, especially in this country. Talk to your average Congressman about the United Nations and you'd discover it's probably the least popular of all of the items. Yet it has the capacity to change, to be improved. If there's one thing that gives me some cause for optimism—if our minds and our political wills were flexible enough—it is that we have an international organization flexible enough to be modified, improved, enhanced to deal with some of these pressing issues.

Not everyone can become a world leader, but people have to become world citizens.

Henry Kaufman

IS THERE A SHORTAGE OF HUMAN CAPITAL IN THE WORLD?

Onno Ruding
Yes and no. It is not a problem in OECD countries or in India. But it is a problem in Russia, Ukraine, and China, because the local population, although highly intelligent and well-trained in technology, has an enormous shortage of experience in modern economics, accounting, managerial sciences. It is difficult to make up for that shortage in a very brief period of time.

Henry Kaufman
Speaking as Chairman of the Institute of International Education, we need greater educational facilities, more interchange of students, more Americans going abroad and more people from all over the world coming to the United States. Not everyone can become a world leader, but people have to become world citizens.

IIE DEVELOPS AND ADMINISTERS 250 EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS THAT ANNUALLY ASSIST 10,000 STUDENTS AND PROFESSIONALS FROM 170 COUNTRIES, INCLUDING THE UNITED STATES.

PICTURED ARE SOME OF THE WOMEN AND MEN WHO HAVE PARTICIPATED IN THE INSTITUTE'S PROGRAMS OVER THE YEARS.

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COMMUNICATIONS & CULTURE

Moderator: *Max Frankel* ***Panelists:*** *Lou Dobbs, Henry Louis Gates, Jr., Lyndall Shope-Mafole, John Mayo, Alfred Stepan*

MAX FRANKEL

Former Executive Editor, The New York Times

MY PARTICULAR CREDENTIALS FOR THIS SUBJECT ARE TWOFOLD. One is that I am widely advertised as out-of-date, passe, a print person in a dying industry, and this comes close to my last licks at public communication. My second qualification is that, in a very deliberate act of training for this session, I went online. For about a week. And let me report to you quickly that you must ignore all this talk about a highway. If you know what it's like out in Coney Island in those bumper cars, where you don't know where you're going and you don't know who you're going to bump into, that is what the experience is like.

Are communications bringing us closer together or isolating us? Is the telecommunications revolution truly democratizing?

While online, I met several hundreds of people, electronically speaking—and I haven't seen my wife for a week. Translated into a larger issue, are communications bringing us closer together or, in fact, isolating us? Are communications breaking down borders? Or erecting borders? Are they requiring the kinds of talent that make the elites in the world of communication have less and less in common with the people we are, educationally speaking, leaving behind? Is the telecommunications revolution that's coming upon us truly democratizing as the current elites are claiming?

These questions are ones I hope the panel will seize upon and illuminate for us today.

MAX FRANKEL, *recently retired as Executive Editor of* The New York Times, *now writes a weekly column on communications for* The New York Times Magazine. *He began as a full-time reporter for* The Times *in 1952, and has held many positions at the paper, including Washington Bureau Chief and Editorial Page Editor. In 1973, Mr. Frankel won a Pulitzer Prize for his reporting of President Nixon's visit to China.*

JOHN S. MAYO ***is President Emeritus of AT&T Bell Laboratories. Throughout his career at Bell Laboratories, Dr. Mayo played an important role in the development of digital technologies. Dr. Mayo is a Fellow of the Institute of Electrical and Electronic Engineers, a member of the National Academy of Engineering and a foreign member of the Royal Swedish Academy of Engineering Sciences.***

JOHN MAYO

President Emeritus, AT&T Bell Laboratories

I'D LIKE TO TALK ABOUT THE REVOLUTION IN TECHNOLOGY, driven in large measure by customer needs in combination with the incredible richness of these technologies that have been expanding exponentially for as many as 40 years.

We've seen capabilities doubling every year in such domains as computing and photonics, or lightwaves. These technologies are opening up whole new fields of opportunities and propelling the evolution of the national and global information infrastructures, including what is popularly known as the information superhighway. These are simply networks of networks that not only allow us to bring people together but also increase network functionality.

I want to make five points about international communications and the resulting societal impact. First, as part of the communications revolution, there is a continuing decrease in the cost of bandwidth, of information-carrying capacity. For example, since 1988, the capacity of transoceanic lightwave systems has increased more than tenfold, while the cost per circuit-mile has declined by more than a factor of ten. Secondly, there's a continuing and even more dramatic decrease in the cost of the digital equipment that controls, routes, switches, and monitors telecommunications operations. The cost of a transistor for memory applications was about one cent per transistor in 1971. It has declined by a factor of 4,000 today. If you wanted to put the entire *Encyclopedia Britannica* in a random access memory, it would have cost you $24 million then. Today it's about $6,000.

Third, the evolution of the regulatory environment, both domestically and globally, is a major key to progress. Until the last decade, telecom service providers have been for the most part monopolies. In the United States, our model is now a fully competitive environment. In the global regulatory environment, the thrust toward privatization and competition began shortly after the break up of the Bell System. But it has been progressing rather slowly, and in many countries it remains just an idea. In the more developed nations, the transition is under way, but full competition is still many years off, significantly behind the United States. To meet the full potential of the technology, we need robust global competition. It's competition that drives the pace in this business, but it must be fair competition.

My fourth point is that the marketplace is quickly moving toward multimedia communications. That is the emerging revolution of the 1990s and beyond, and is the mechanism that's bringing the telecommunications industry, the computing industry, the entertainment industry, and the consumer electronics industry into one new industry. Examples of multimedia communications include video telephony, videoconferencing, real-time video on demand, two-way video, interactive video, multimedia messaging, the promotion of collaborative work environments, interactive information services such as electronic shopping, multimedia education and training, and, eventually, virtual reality, which will enable people to experience remotely a place or an event in all dimensions electronically.

My fifth point is that multimedia communications has a great impact on education. First, there's increasing capability to electronically network all elements of the education system through the Integrated Services Digital Network, ISDN, which is simply an international standard for sending voice, data, and images over the same ordinary telephone line. A major aspect of the impact of this enhanced networking is the ability to access remote expertise, such as the faculty of various institutions or databases of nations, cities, universities, libraries, museums, and even industrial enterprises around the world. Anywhere that you have information, you have the opportunity for databases and universal access to those databases.

The technology is incredibly rich. It can do more things than people will find economically useful.

Internet is just the beginning of this new paradigm. There's the capability of having a virtual classroom consisting of people in totally different places, united by means of videoconferencing links connected to personalized multimedia terminals. Another example is electronic publishing. An encyclopedia would include text, audio, images, and animation. An article on sparrows would contain text describing each type of sparrow, audio clips on their various songs, and video clips showing their behavior. Now this capability is building right now through the CD-ROM world, but it will gain momentum as it also comes through the world of telecommunications networks.

These multimedia capabilities are already being applied to a growing "work-at-home" movement, using virtual offices enabled by today's communications equipment and services. There's a lot of economics behind that force. My company is committed to the State of New Jersey for a substantial increase in employee work at home to control traffic and pollution. Already, tests show that with the ISDN, using standard telephone lines for many types of jobs, we can make work at home more efficient than work at the office. Our experience has been that work at home is about 15 percent more productive. This movement will accelerate as more and more multimedia capabilities become available. And you can imagine, not too far in the future, a time when most educational endeavors will be done at multimedia learning stations.

The technology is incredibly rich. It can do more things than people will find economically useful. The marketplace now has to decide. Fifty years ago, anything Bell Labs could produce, society wanted in large measure. That's not true today. We can produce many things, but many capabilities just aren't worth the time, attention and money.

Finally, I believe it is certain that multimedia communications will make it possible to change the way we work, live, play, travel, and communicate. I do not believe the issue is, will it happen? The issue is how fast it will happen. Whether we change in our lifetimes—because change is generational—is a broad marketplace and societal issue that, I believe, is not to be resolved solely by the technologist. Basically, it was the technologist who brought these capabilities to the market. Now society must bring them to the market.

Technology in the Service of Exchanges

IIE has largely completed a major project to modernize its information systems for the twenty-first century. Each of IIE's 350 staff members worldwide has a PC with office-automation software and e-mail, linked in local and wide area networks. New applications have been designed to strengthen services to the Institute's 200 sponsors and 10,000 program participants. Through IIE's link with the Internet, staff has instantaneous e-mail access to sponsors, grantees, and colleagues in other organizations throughout the world. A new grantee administration system is in place and a new contract administration system is under development. And IIE is currently developing services that will be available on the Internet for students and professionals worldwide.

LYNDALL SHOPE-MAFOLE

Councillor, South African Independent Broadcasting Authority

The vast majority of our people don't see any prospect of ever being able to use those technologies as equals in this world.

THE LAST TIME I ADDRESSED PEOPLE IN THE UNITED STATES, I was busy telling them that the situation hadn't changed much in South Africa and that we should keep up sanctions. I'm very honored, very privileged, and very proud to say today that I am bringing a very different message. It feels so good to be able to talk about one South Africa, thanks mainly to the support of the international community. As President Mandela said, the struggle only begins now, and we have much of the road still to go.

I would like to talk about some of the issues related to communication, their effect on our culture, and some of the challenges for our development. I just attended the International Telecommunications Union (ITU) conference in Japan. One major issue being discussed was telecommunications policy. Although people are very optimistic worldwide, in fact, a lot of people in developing countries—and I could speak on behalf of our continent—are actually very worried. We're very optimistic in South Africa, but we, too, are very, very worried about new technologies.

First, because the vast majority of our people don't see any prospect of ever being able to use those technologies as equals in this world. This poses a major challenge to us. One key question is: who should be trained? I thought about the majority of South Africans who are rural women. They're illiterate, very poor. They have no shoes, hardly any place to live, basically no hope for anything. If we could train those people to such an extent that these new technologies would mean something in their day-to-day lives, then we'd have solved the problem of the majority.

Obviously, the world is not as simple as all that. We would need to look at ways and means of making sure that the very distant dream in some way becomes reality.

The ITU hopes to promote a broad approach to telecommunications issues at the international level. This means we need to look at telecommunications as more than just something that is going to change the world of entertainment and such things. It must be something that is going to bring food and water to our houses—is actually going to make sure that we have houses.

And for us in the developing world, particularly in South Africa and on the African continent, it still rests with the government to make sure these new technologies do exactly that—facilitate the lives of our people. Actually, our main hope is the governments. They facilitate—or don't facilitate—investment depending on the political climate in the country. With the assistance of many foundations and institutions such as IIE, we can educate our government on policy issues related to new technologies. That would go a long

LYNDALL SHOPE-MAFOLE *is Councillor of the South African Independent Broadcasting Authority, a seven-member agency analogous to the FCC. Educated in Cuba, Ms. Shope-Mafole is one of the leading experts in South Africa in telecommunications and broadcasting. She is a Chairperson of South Africa's National Telecommunications Forum.*

way in facilitating the introduction of those technologies in a meaningful way, one that is not frightening to many of our people.

I am on our regulation board in broadcasting in South Africa. On Monday we'll be starting a very major inquiry—for me, the most important inquiry—on the viability and protection of the public broadcaster. We have had a state broadcaster in South Africa, and we're supposed to transform it into a public broadcaster. Among the issues we have to look at are viability, financial and otherwise; what the tasks of a public broadcaster are; and how to promote a local broadcasting industry, determining the local South African content in things that are broadcast in South Africa.

For us in the developing world, it still rests with the government to make sure these new technologies facilitate the lives of our people.

Vartan Gregorian and Andrew Heiskell congratulate Lyndall Shope-Mafole after her remarks.

This may seem very small, but there are major issues that are very important. To illustrate, at the ITU conference in Kyoto, the Americans, as usual, had this very nice reception. It was all very colorful, and we got addressed by Vice President Al Gore. There was nice music, and one of the people from South Africa said, "This is great. It's really making me homesick." And what that says to me, as a regulator, is that American music makes a South African homesick. This was the first time I had actually thought about it that way. I studied for seven years in Cuba. American music made me homesick, and I saw nothing wrong about it.

Ms. Shope-Mafole with Peggy Blumenthal, IIE Vice President for Educational Services.

On this issue of broadcasting and culture and development of human resources, one of the major tasks that we are facing as regulators in South Africa relates to language, which comes back to ethnicity. We have 11 official languages in South Africa. And everybody, in Parliament and everywhere, should be able to speak in any of the 11 languages and have no problem getting a translation done.

These are some of the challenges we are facing, and we are facing them with pride. We think we have performed very well, politically. In relation to new technologies and other issues we are facing, it is in how we meet these challenges that our political skill will in fact be tested.

HENRY LOUIS GATES, JR.

Chair, Afro-American Studies, Harvard University

What does it mean that the hip-hop nation is now multicultural?

MY TALK IS ENTITLED "PLANET RAP." A week before Bill Clinton's inauguration, I found myself in Outer Mongolia. In Ulan Bator, to be exact, among a group of Outer Mongolians. Now, Mongolia is just as remote and sparse and isolated as you might imagine. Forty percent of the population are nomads who live in felt tents, called yurts.

You have to imagine me bundled up like an Eskimo, because it was 40 degrees below zero. Now, if you're ever on "Jeopardy," and you're asked where Fahrenheit and Centigrade meet, it's at minus 40 degrees at Ulan Bator in the middle of January. And it was windy. I kept thinking that Mother Africa had not made me for my fate. But there I was, courtesy of a Harvard University program that sends its favored professors to Ulan Bator in the middle of January, addressing 200 people at the Mongolian State University Foreign Studies Policy Institute.

I'm there ostensibly to discuss the domestic and foreign policy implications of the election of Bill Clinton and Albert Gore. So, seeking to establish some common cultural references, I asked this audience how many people in this room have heard of Albert Gore? No one raised a hand. Then I asked, just on a dare, how many of you have heard of rap music? Everybody in the auditorium raised a hand.

Now, looking into their expectant eyes, I wondered if they expected me to break into some sort of hip-hop refrain right then and there. L.L. Cool J with a Ph.D. Lord only knows what they might be expecting from a traveling African-American. But, of course, there's a simple explanation, as I was quickly told. It might be 40 degrees below zero and the wind blasting, but everyone in Mongolia gets MTV. CNN and MTV come to every household, including the people who live in the yurts. And it may be that many of them watch the latter more attentively than the former. So when Public Enemy's Chuck D called rap, "Black America's CNN," he didn't know how right he was.

I'd like to talk a bit about traveling cultures and how some of the ways we conventionally talk about this phenomenon fail us. What does it mean that the hip-hop nation is now multicultural? What does it mean that you can get Coca Cola in Burundi? Remember the group Milli Vanilli, the Marcel Marceau of pop music? One of that pair once told a journalist about the time he was in Abidjan, and I quote, "I went to Africa once, and there was no soap, and there was no soda, but there was Milli Vanilli."

HENRY LOUIS GATES, JR. *is Chair of the Afro-American Studies Department at Harvard University and Director of the W.E.B. Du Bois Institute at Harvard. In addition to his scholarly work, Professor Gates frequently contributes to publications such as* The New Yorker. *Among his books are* Colored People; The Signifying Monkey: A Theory of Afro-American Literary Criticism: *and* Loose Canons: Notes on the Culture Wars.

Let's agree that something distinctive is happening today, but something that is not captured by the stale rhetoric of multiculturalism. With multiculturalism you get a choice. You either get a vision of cultural complexity analogous to a box of Whitman samplers, or you else you get the Cuisinart alternative, cultural interaction reduced to a sort of gazpacho, a smooth, lumpless liquid—served cold. And of course neither one serves us very well.

A similar problem bedevils our thinking about traveling cultures. On the one hand, we have this model of "cultural imperialism." Once the United States conquered the West with the musket; today a Musketeers bar will do the trick. The effluents of Western civilization, as processed by mammoth corporations, is the teeth-rotting candy that's corrupting an otherwise macrobiotic world. "Stay pure," we exhort these dignified others. "Stay noble, stay innocent, stay other."

Well, that model of cultural imperialism turns out to be profoundly condescending, denying the volition of people we would save—not from us, ultimately, but from themselves.

At the same time, the people who want to focus our attention on capital and the technologies of mass media have part of it right. The trouble with academics like me is that we think about the canon very much in the news for the last half dozen years, this imaginary syllabus of the great literary republic, and we forget the very real circumstances in which, say, our public schools find themselves. We imagine the world as a library or a bookstore, but it's much more like a shopping mall, with a lot of mayhem going down in the parking lot. And we've managed to dock ourselves in front of B. Dalton's section for the Penguin Classics, and soon we've forgotten that there's anything else in the mall.

So there's something to be said for anything that redirects our attention to the larger context in which these conversations take place. And so when I talk about traveling culture, I don't want to forget that very real context of mass communication. And hip-hop is actually an intriguing example here because the form itself is so hybrid. What happens to an Afro-Caribbean base run aground in a black metropolis such as the South Bronx? Musical texture is often a literal collage of musical precursors. Quite conveniently for my purposes this afternoon, the Warner Record label Tommy Boy recently released an album entitled "Planet Rap" which contains worldwide rap—including six different rappers from Italy. In Eastern Europe, the discontents of a new order are being played out in the form of rap. The popular Czech group, Rapmasters, raps about what it's like being young and poor and surrounded by rich American tourists. The latest album by a group called De La Soul had a great success featuring a group of Japanese rappers. Meanwhile French rap is taking off, not just in France but here in the United States. The French rapper M.C. Solaar, who's of Senegalese origin, has teamed up with the American rapper Guru in a bilingual song called "The Good, The Bad/La Bien, La Mal," which has made the regular MTV rotation.

Henry Louis Gates, Jr. with IIE Trustee Howard Dodson.

Mass culture now pulses in media that would have been undreamed of by our ancestors.

Panel moderator Max Frankel and Professor Gates.

Arts International

U.S. culture has an enormous global presence through increasingly sophisticated communication options. Recognizing the power of art in this arena and the role artists play as cultural ambassadors, IIE's Arts International (AI) division encourages connections among artists worldwide. The Fund for U.S. Artists at International Festivals and Exhibitions, for example, enables U.S. performing and visual artists to participate in prestigious international events. Other programs provide residencies for U.S. artists at foreign arts organizations. For arts administrators from Central Europe, new to the rigors of the free market, AI manages a mentor program providing ongoing technical assistance. AI's publications and conference-convening capacities also further the exchange of ideas and artistic collaboration across national borders.

The British have specialized in various modes of fusion combining hip-hop with reggae in a permutation known as ragga or combining it with house music in a permutation known as "hip-house."

I realize that some dream of the world as a cultural museum in which mixing is eschewed as contamination. Or, if such intercultural contact is allowed, the flow must be one way—from them, the exotic other, to us, the corrupted metropole. But the truth is there are no one-way flows out there. We can no longer pretend to deny the realities of the world in which we live. The tumultuous emergence of mass culture, a development we can usefully date to the 1920s with the birth of jazz and the birth of modernism in art, now pulses in media that would have been undreamed of by our ancestors. An electronic net of computer terminals drapes over the globe with digital avenues like Bitnet and Telnet, avenues broader than any 16-lane highway encircling L.A. A new generation of interactive media has commanded impressive backing and resources and stands poised to revolutionize our very relation to mass media and reconfigure the very architectures of information to which we're now accustomed. And, my friends, there is no hiding place.

Which brings me back to Outer Mongolia. The point isn't that entertainers may excite more attention than political leaders. I think it would have surprised Mozart to learn that relatively few of those of us who know and admire his work today could confidently name the monarch and the archbishop he so devotedly served. Now, I'm certainly not comparing Michael Jackson, say, to Mozart, not at all. I mean, Mozart couldn't moonwalk to save his life. I'm just saying that we shouldn't be so quick to judge the priorities of other citizens in other places.

An electronic net drapes over the golobe and, my friend, there is no hiding place.

So here we are back on the frozen tundra of Outer Mongolia, somewhere not too far from the Gobi Desert, the world's coldest. And Western culture, to these Mongolians, has an African-American face. Now, quite likely I was, strictly speaking, probably the only black person in that country at that time. But in a larger sense, I was surrounded by a multitude of my countrymen. And as I traipsed my way out of that lecture hall in the frozen weather, wondering what this lost child of Africa was doing at this elevation and longitude and latitude, it suddenly flashed on me: somebody was trying to tell me something. They were trying to say, "Welcome to the twenty-first century."

To tell you the truth, I'm not so sure that's such a warming thought.

ALFRED STEPAN

President and Rector, Central European University, Budapest

OF THE 27 INDEPENDENT STATES NOW IN POST-COMMUNIST EUROPE, only five existed with their current borders in 1989. Of these five, only one has the borders it had before World War I. Most of these new states have more than one cultural, ethnic, or linguistic group, who often see themselves as a nation within the territory of the state.

The leaders of these de facto multinational states want to make their territories into nation-states. In some sense this is impossible. It is silly to think of these countries as needing only a market to make the transition. A market is important, but Adam Smith would be the first to say you cannot have a market unless you have a functioning state. They have to recreate states and create new civil societies and political societies. In the process they will create not only markets but also economic societies.

If you have a small area with 27 borders that is densely polluted, you've just defined a huge problem for collective action.

What types of communication, cultural exchanges, and research efforts might possibly be appropriate in this new context? I will talk about some of the things we are trying to do.

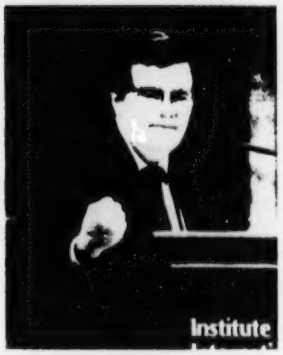
In the mid-1980s, civil society leaders and educators of the region met, often in Dubrovnik and said, "At some time the communist system will end. But immediately we will still face two major problems. Unless we want to purge existing professors, starting a new cycle of repression, we must probably live with this group for another generation. Second, nationalism would re-emerge and make the whole process of democracy difficult."

Given these almost clear realities, the question was: what can we possibly do? And they said, "Look, we don't want to forget the traditional universities, but it might not be bad if we at least had a new university to explore a new curriculum. It would even be better if that university was an international university, with students from all the areas."

At the time they began talking, there were only nine states. Now there are 27. George Soros heard a number of these discussions and originally was quite skeptical. Later he said—I suppose like Rockefeller in 1890 at the University of Chicago—"Let's give it a shot."

We now have a small university. There are only 400 graduate students. At first we had no degrees, but now we have nine master's degrees. We have campuses in Budapest and Prague, and next year they will be in Warsaw and Moscow.

The type of university we are trying to create is a network university—a virtual university where people from all 27 countries are talking to each other. We are not going to have tenure, but we are going to have a lot of recurrent visiting professors. We will link up problems instead of disciplines. We will be problem-based in almost every area.



ALFRED STEPAN *is President and Rector of the Central European University. Dr. Stepan is on the Board of Directors for the Soros Foundations' Open Society Institute and the Higher Education Support Project. Previously he was Dean of the School of International and Public Affairs and Burgess Professor of Political Science at Columbia University.*

Dr. Stepan greeting economics session panelist John Mayo.

The Democracy Experience

USIA's *Business for Russia* program enables Russian citizens to experience U.S. democracy, business practices, and hospitality first hand. It was created in 1994 to facilitate Russia's transition to market economics while enabling American business leaders to learn more about opportunities in Russia. IIE's offices in Houston and Denver arrange one-month internships with U.S. firms for Russian managers and entrepreneurs, as well as homestays with U.S. families and cultural experiences ranging from City Hall to concert hall. The program is one of several IIE administers with the goal of strengthening the human capital needed to support democratic institutions and market economies in former Soviet bloc nations.

The area of the environment lends itself very nicely to this. If you have a small area with 27 borders that is densely polluted, you have just defined a huge problem for collective action and communication. We are starting with science Ph.D.s, most of whom are already in positions where they are saying something about the quality of water. Their degree will be an M.A. in public policy analysis of the environment. That is the value added.

Our idea is to bring people from all the areas, to set the example. There are 13 countries with tributaries into the increasingly polluted Danube. We will try, instead of having a one-year master's program, to have modules where people come to the university for three months four times without losing their jobs. Then they can return to their base and complete the program over a couple of years. If you have 50 people in the program, maybe 45 will immediately establish a network with us and with each other. By working on the project—in this case the Danube one—you are creating a moral community, a scientific community of people from all these different areas who have developed a way of communicating among themselves. Electronics will help us, but finally the networks will have to have human beings at their core.

Another area that is much more difficult to think about is nationalism. One of the tasks of the University is not only creating a network, but fundamentally rethinking and reconceptualizing it. The key thing we have to address is the fact that most people think that nation-states and democracy form part of the grammar of a modern, democratic polity. If, however, you have more than two or three nations living within one territory, it is politically and ethically impossible to think that that group can be transformed peacefully into a nation-state that shares one culture, one language, one orientation—and at the same time be a democracy. Something has to give, the nation-state-building project or the democracy-building project.

It is time to think about other alternatives. We have to start thinking about identities. We have to document that most human beings are actually capable of changing identities over time. They're capable of having multiple and complementary identities, if given a choice. I say this because, normally, social scientists, census makers, and politicians don't give people choices. They try to polarize these problems. In the case of Spain, in the three years before the democratic transition, people in Catalonia were increasingly saying, "I'm only Spanish" or "only Catalan." After the democratic transition—most important, after the devolution of power into new forms of local radio and television—the dominant form of identification became, "I'm equally Spanish and Catalan."

These things moved immensely over the ten-year period. We can show that identities are changeable, not primordial. They are socially constructed, and they're capable of being complementary. We have to think that in many contexts people are saying, "I am capable of joining a larger world, and giving some loyalty to it even though I can never be of that culture." It may be that people can be integrated politically if the state accepts them as citizens. We just have to think more complexly about this.

LOU DOBBS

Senior Vice President, CNN

I FEEL A BIT AS IF I AM THE REPRESENTATIVE BRIDGE BETWEEN THE ELITES and the broadcast masses that we address and try to communicate with each day.

As we talk about this new world of communications and the international roles of communication and education, I think back to 1980, when we began CNN. We had a chairman by the name of Ted Turner then, as we do now, who had the temerity to create a 24-hour news network and to put a United Nations flag front and center over Techwood Drive. At the time we were doing business in one country and barely able to do that. But some 14 years later, CNN is seen in 200 countries and territories around the world. There is literally no place in the world that I go where I am a stranger.

This telecommunications revolution is really an evolution, happening at great speed. It is enabling people to achieve greater control over their lives and to remove passivity from communications—that is, to be more than simply transmitters or recipients. We are all expected to become both in this new world.

Last year there were 900 strategic alliances struck between U.S. corporations of one sort or another in the area of interactivity and multimedia. As a journalist, what excites me about this new world is that it is truly interactive, that we will be engaging in dialogues.

I believe that this communications revolution should first and foremost affect the elites. I'm not concerned about the elites taking over this revolution, because they are in control of it today, to whatever degree that control can be exercised. What excites me is that those elites have an opportunity to communicate a set of values—whether it be participatory democracy, or nation building and mutual understanding—and that an honest dialogue really does make sense.

Last week I chaired a trade ministers' panel on international trade. Panelists, including Trevor Manuel, the Minister of Trade for South Africa, were able to talk via satellite to Cartagena, Colombia, with people who were building businesses, building for export, preparing to enter a wonderful world made possible by telecommunications. This ability to remove barriers to commerce through technology is created and energized by perhaps the most status-quo institution in Manhattan, none other than the United Nations. I find that extremely hopeful.

On the down side, are we talking about the convergence of computers, microprocessing, telecommunications, and networks—or about their consolidation to the point of creating monopolies? Are we restricting rather than creating choice?

It was only 14 years ago, when we began CNN, that there was an average of five channels available to the viewer in this country. Today that number has exploded to almost 60. We are blessed with a wonderfully diverse society in this country and in the world. So how we deal with fragmentation, how we take our responsibilities as we confront these new opportunities, and the judgments that we are going to be making in the years ahead, are critical.

LOU DOBBS *anchors the award-winning CNN nightly business newscast "Moneyline with Lou Dobbs." He is Senior Vice President of CNN, responsible for the network's business unit, Managing Editor of Business News and a member of the network's Executive Committee. In 1990, he was given the Luminary Award by the Business Journalism Review for his "visionary work which changed the landscape of business journalism in the 1980s."*

panel discussion

COMMUNICATIONS & CULTURE

Edited highlights from the panel discussion

So the technology train has taken off indeed, but for only a part of the world. I think the challenge that we all face is how to make sure that, in fact, the train has taken off with all of us in it.

Lyndall Shope-Mafole

HOW CAN ACCESS TO TECHNOLOGY BE ENSURED? CAN IT BE LEFT SOLELY TO MARKET FORCES?

Lyndall Shope-Mafole

The problem with telecommunications is that it isn't telecommunications unless there's a transmission and a reception. And you've got vast areas with vast numbers where there is no reception whatsoever, where the prospects of receiving CNN are very, very flat, because there is no electricity, no television. People don't have access to those things.

So the technology train has taken off indeed, but for only a part of the world. I think the challenge that we all face is how to make sure that, in fact, the train has taken off with all of us in it. I think the level of education, the level of awareness, of people in general is actually going to go a long way in making sure that this technological revolution becomes real for all.

Henry Louis Gates, Jr.

At the greatest Nigerian University, the University of Ife, the library hasn't been able to buy a book from the United States or Great Britain in the last ten years. How do we guarantee access? The problems of the economic differential between the First World and the Third World still obtain, whether we're talking about print or electronic distribution.

John Mayo

We are right now planning for the installation of a most advanced, very high-capacity fiber-optic cable to be laid by our ships in the ocean around Africa. In one sudden transition, when that system is turned up in just a short time, we will have fiber-optic cable access to all the major coastal cities of Africa in one fell swoop, all the way around the entire continent.

Lou Dobbs

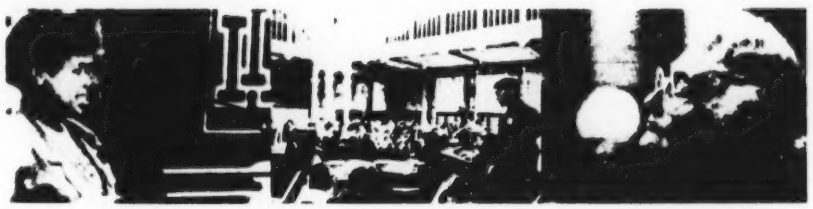
It's fairly clear that for much of the developing world wireless will represent the best opportunity to share in what we hope is a worldwide educational revolution. We talk about convergence, but we should also be very concerned about divergence between the rich and poor, both in the United States and in developing countries.

WHAT ARE THE EFFECTS OF TECHNOLOGY ON EDUCATION?

John Mayo

I see that the technology removes geographical bounds, and I believe that it also removes economic bounds. This new technology is very powerful in delivering, at very low cost, an enormous amount of information. And something that technology has promoted across the board, including in education, is customization, whereas in the past it was a mass market arrangement. The fact is, the technology is increasingly able to customize right down to the smallest buying unit you can find, which is the single individual, single student, single member of society.

The general impression is that a university that isn't into distance learning is a university that's declining. Extending the university beyond its geographic bounds electronically is something that's well under way, and something that the simple telephone network and television can do. An example of a technology that will have tremendous impact is automatic voice recognition and voice synthesis that will be able to deal with simultaneous translations. Lectures in one language will be converted to another language in the voice characteristics of the original speaker.



From the left—Lyndall Shope-Mafole responds to questions.

Close to 250 people attended the day-long Forum.

Madeline McWhinney, an IIE Trustee, listening closely to the discussion.

Alfred Stepan
When you look at some of the horrible conditions of many of the universities in Eastern Europe and the former Soviet Union, in Albania, in Georgia, you meet some amazingly dedicated persons. Their life chances and their students' life chances are highly dependent on being able to get electronic access. But they won't get access unless someone else provides that extra money. And it's more than just machine access. It's bringing people together, teachers teaching teachers, all of us defining the problem and then identifying what needs to be disseminated. So the human networks are an absolutely crucial part of this.

Lyndall Shope-Mafole
I have an eight-year old son. He was four when I taught him how to use the computer and he uses it very well. One day, when I was insisting that he improve his handwriting, he says, "Mommy, why do I need this? I can write to Daddy on the computer." And I actually had no answer for him. Why should he learn how to write with a pen if he can get exactly the same product, better, neater on a computer? That's an issue that we need to look at when we are talking about the use of technology for education.

Henry Louis Gates, Jr.
When are we going to get Mongolian CNN? I'm interested in de-centering our own American centrism and Western centrism and Eurocentrism, getting back from the rest of the world what it has culturally and spiritually and aesthetically and philosophically to offer us. And I think that we're a long way from that.

WHAT IS THE FUTURE OF AREA STUDIES?

Alfred Stepan
Some universities, partly for reasons of cost, want to deemphasize area studies. The essence of learning about different societies is certainly knowledge of their culture, language and history. And if we don't pay the price to go over that, then I do not believe we're going to think creatively and originally about such questions as whether or not the nation-state and democracy are conflicting logics.

Henry Louis Gates, Jr.
I don't think you need a crystal ball to be able to predict that the problem of the twenty-first century is going to be the problem of ethnic difference, or at least how ethnicity and religion come to stand in a metaphorical relation for economic differentials. And those economic differentials are not getting better, they're getting worse. It seems to me that the challenge of area studies is to confront this issue of how race and class—as it were, economic scarcity and received cultural differences—produce a compounding effect so volatile that people are willing to slit their neighbor's throats and rape their neighbor's wives in the name of those putative differences. And that's why I think that the distribution of knowledge can have an enormously positive effect if we can distribute it in some equitable way.

I don't think you need a crystal ball to be able to predict that the problem of the twenty-first century is going to be the problem of ethnic difference.

Henry Louis Gates, Jr.

KEYNOTE ADDRESS

Her Excellency Mary Robinson

Mary Robinson *was elected President of Ireland in 1990, the first woman to hold this position. President Robinson, a lawyer, was elected to Ireland's Senate when she was 25 years old, and served for 20 years. She was a Lecturer in European Law at Trinity College, and was Reid Professor of Constitutional and Criminal Law. A co-founder of the Irish Centre for European Law in 1988, President Robinson has served as the Centre's Director and Chairman of the Executive Committee of its Board of Directors. She has used the courts and the legislature to fight for the rights of women, married and separated couples, children, the handicapped, the poor and the unemployed. In 1993, President Robinson was honored at the United Nations by the International League for Human Rights, and in 1994 IIE honored her with the Stephen P. Duggan, Sr. Award for Outstanding Contributions to International Understanding.*

IT IS APPROPRIATE TODAY TO CELEBRATE THE ACHIEVEMENTS OF THE INSTITUTE OF INTERNATIONAL EDUCATION, as it stands right at the edge of a new and challenging century, which will affect every aspect of its programme of commitment. I certainly want to be part of that celebration. And yet I regret, especially since I have been a student myself outside Ireland, that the language for doing this is, by and large, so solemn.

After all, the method of that exchange over the years has been so spirited, so excited, full of letters falling on doormats and whoops of joy from young people, and travel plans and sleepless nights, that these should also be kept in mind today. When the American poet Sylvia Plath won the Fulbright which would take her to Cambridge, right into the heart of British poetry, thereby starting a dialogue between the two poetries which is influential to this day, her response was downright and delighted and I imagine fairly typical. When she rang her mother to inform her that she had got the Fulbright, she was too ill to come to the phone. "Tell my mother," said the excited Sylvia Plath, "that my news will help her more than anything else could."

And so this Forum is full of the shadows and spirits of those excited young people, packing their cases, looking at strange currency, practising another language perhaps, getting ready to open their minds and adapt their views and fill their memories with sights and sounds which would change their future lives. I can sympathise with this because, when I graduated from Trinity College in Dublin, I went to Harvard. That short distance opened an enormous span in my life of new insights, of a sense of another society, of new friends and different customs. And to this day, right up to my holding of this office, I would find it hard to say how much I owe to that experience.

But the effects of educational exchanges are so vast and so mysterious that they are hard to quantify in any language, whether solemn or celebratory. The profound changes which are wrought in a young person's intelligence when they combine a change of environment with a learning process, are almost impossible to measure. This Institute of International Education has continued its marvellous programme over 75 years using one flawless and changeless asset: the openness and generosity and creative interest of young minds. New friendships. New hopes. New perceptions of the world. These are the products of those minds.

But if this is a changeless asset, the circumstances surrounding it are not changeless. Indeed I know that you yourselves are deeply concerned about the pace and intensity of the changes which are facing you. After all, when this Institute began in 1919, the idea of educational exchange must have seemed daring and hazardous to the parents of young people who themselves had never stirred beyond one dear horizon, or out of one familiar town. To see their sons and daughters packing and getting ready to leave for Paris and London and Rome, ready to study art and philosophy and history, thousands of miles away from where they were born—that must have been an astonishing and unsettling sight to those who first saw it.

But now something is shifting again. An enormous change is coming to all of us, which must revolutionise our ideas of both education and exchange. Even as I speak today about distance and enlightenment, there is another distance which is

adding to itself every hour in a mysterious way. Our name for it at the moment is cyberspace. But it may not be the right name. Indeed we have not found a name for a huge and mythic expanse which opened up slowly and yet suddenly, where packets of information are switched and retrieved, retrieved and passed on, are returned and added to. Where a student in Dublin can access a computer and within a few minutes download a file from the Center of Innovative Computer Science at Indiana. Where vast amounts of information and expertise, and reference and knowledge, are seething in a darkness we need to define and control.

We need to define this new treasure before our children become more fascinated with the method of acquiring knowledge than with the knowledge they acquire. And we need to be able to persuade them that knowledge is not so much power as responsibility. At the moment we stand at the very edge of confusion. In the Gutenberg project, which is available on the Internet, there are hundreds of electronic books. On our library shelves there are thousands upon thousands of other books. How do we relate the real book to their virtual book? How do we relate the act of reading to the act of virtual reading? How can we create between these two worlds—the old and the new—enough harmony so that young people can tolerate the fracture between them? In the past you encouraged young people to travel a distance, and bring their knowledge back. Now we have to encourage them to understand better that distance they need not travel—out in cyberspace. And still somehow persuade them that the growth of an outward technology can be an addition, but never a substitute for an inner life.

We need to define this new treasure—cyberspace—before our children become more fascinated with the method of acquiring knowledge than with the knowledge they acquire.

If we are to do any of these things then I think you have to establish a swift and sympathetic dialogue with these new changes. I find it moving and unnerving that we are living—I have no doubt of this—on the edge of a change which is as profound as that begun when Caxton made popular the printing press. And therefore educational exchange cannot any longer be construed as a suitcase, or a destination, or a subject matter which must be learned and retained. It must also mean, I feel, an education in exchange: in exchanging one set of variables and values for another, so that the old world, with all its values and treasures, can speak confidently to this new world, with its immense power.

Just a few years ago, the ending of the Cold War marked the end of a period of stability in international relations. It was not a stability to which many of us would wish to return, marked as it was by frequently sterile ideological debates, and by forms of competition and rivalry in international affairs which had many negative aspects.

However, as the old barriers come down, new ones are being erected—not necessarily along the lines of the old ones, but along social, political and ethnic fault-lines whose very existence had been camouflaged for decades. The concepts of global interdependence and mutual respect are all too often being threatened by tidal waves of mutual antagonism and fear. The threat—and the opportunity—was expressed succinctly by Elias Canetti two decades ago: it is still a real one.

> Rulers tremble today, not, as formerly, because they are rulers, but as the equals of everybody else. The ancient mainspring of power, the safe-guarding of the ruler at the cost of all other lives, has been broken. Power is greater than it has ever been, but also more precarious. Today either everyone will survive or no one.

The concepts of global interdependence and mutual respect are all too often being threatened by tidal waves of mutual antagonism and fear.

In the short term, at least, the instability generated by the present climate of uncertainty is reflected not only in the political and military arenas, but also in the economic and social fields. There is the emergence of a global economy, it is true. But this new global economy is still in many respects an inchoate, anarchic place. It is characterised not only by a greater freedom than ever before to buy and sell, but by an unprecedented degree of mobility for human and financial capital. This is by no means an unmixed blessing: in Dublin as well as in Detroit, factories can disappear overnight as employers chase new sources of cheap labour. This can often have devastating consequences for regions, nations and indeed individuals struggling on the edge of viability. Internationally, thinly-disguised trade wars simmer just beneath the surface, as regions and nations strive to extract the best possible deal from their major trading partners, and to protect what they see as their fundamental strategic interests.

As I had opportunities to see recently, the playing field in our global village is not an even one. Having just returned from paying state visits to Zambia, Zimbabwe and Tanzania, followed by a humanitarian visit to Rwanda and the refugee camps near Goma in Zaire, I am conscious of how different the challenges to modern leadership are in that whole region of Africa. And I am not just referring to the areas of recent crisis. Despite the fact that governments have followed the very steps recommended: moving to multi-party democracy; adopting structural adjustment programmes; and liberalising their markets, countries find they are slipping inexorably further back because of the burden of debt to the IMF and World Bank. So they feel compelled to reduce spending on primary education and health care, and are unable to develop, for example, the tourism potential of great natural beauty and resources. What I have witnessed—and it worries me greatly—is a growing crisis of confidence among the leadership of those countries in their capacity to cope unless the debt burden is addressed urgently. Seeing their situation directly through their eyes, listening to their perspective, and sensing their growing frustrations brought home to me, as perhaps nothing else could, the ever-widening gap between different parts of the world and the importance of bridging that gap.

Paradoxically, the proliferation of communications technologies provides no automatic guarantee of greater understanding. We now have the capacity to transmit almost anything, anywhere, anytime. As the newspaper struggles for survival, the newer electronic technologies fill the airwaves with a bewildering menu of news, entertainment, sports and comment. But here too, underneath the glamour and the glitz, important questions remain unresolved. Mark Twain, you will remember, reacted with honest skepticism to the news that, as a result of the invention of the telephone, Washington would now be able to talk to Seattle. "But what," he asked (somewhat tetchily, I like to think) "will Washington say to Seattle?" Talking, and saying something, are not always or necessarily the same thing; communication can be used to obscure as well as to reveal.

In all of this, it is important to underscore the basic truth implicit in the title of your Forum and indeed in the genesis of the Institute itself: investment in human beings is—and not only in the long run—the most productive use of resources we have yet devised. We should never allow it to be displaced by economic or technological imperatives.

Because education is one of the most traditional forms that this investment in human potential takes, I would like to reflect for a moment on its role, with specific reference to the issues you are addressing.

Investment in human beings is the most productive use of resources we have yet devised.

Education has itself moved through many different phases, and has taken—still takes—many different forms. It can be education for survival or education for social integration—probably the two oldest forms of education we can identify. It can be education for self-development, for economic advancement or for technological competence. It can be education for research—or for fun. It is formal and informal, structured and unstructured. It takes place in schools and outside them, in homes, fields and factories and even in taverns.

No matter where or how it takes place, however, it is characterised by a deep internal tension which is at the same time the source of its energy as a human activity. This is the tension between its ideological role as a transmitter of values, practices and customs, and its creative role as the liberator of human potential.

The proliferation of communications technologies provides no automatic guarantee of greater understanding.

This is a tension, not an opposition, for people need to keep in touch with the bedrock of human cultural and social experience which they share with their fellows if they are to become truly creative. If they are to rebel, it helps to know what they are rebelling against. And an educational system which is doing its job properly will make a people "easy to lead, but difficult to drive; easy to govern, but impossible to enslave."

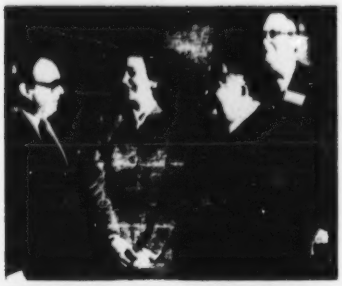
Beyond the more overtly political issues with which educational policy-makers, practitioners and administrators regularly grapple, however, there are others which are more fundamental, and which relate in a very direct way to our themes. Broadly speaking, they involve making critical choices. Should we encourage conformity or foster leadership and creativity? Are we in danger of subordinating the development of the individual to the requirements of a managerial or political elite, instead of enabling the empowerment of that individual so that she or he can play a conscious and active part in the shaping of human history?

In the two areas we are addressing today—the global economy and the technology of communications—these fundamental choices present themselves in a particularly vivid and concrete way.

In relation to the global economy, there are two perspectives in contention. One of these perspectives is tempted to see human beings essentially as consumers, and to see the function of this economy as related to the satisfaction of these consumers' needs. This perspective has its own inexorable logic. This logic can lead in turn, and by a process of elision, to a state of affairs where those needs are less and less articulated by consumers themselves, and more and more determined by a general climate of consumption in

which the range of possible choices has been artificially narrowed to that which can be produced more quickly, more cheaply, or more profitably.

But human beings are producers also—perhaps even first and foremost. We produce not only the artifacts of our civilisation but also—and more importantly—the integument of society itself, the complex and shifting web of relationships, affections and emotions which bind people together in socially supportive and creative ways.

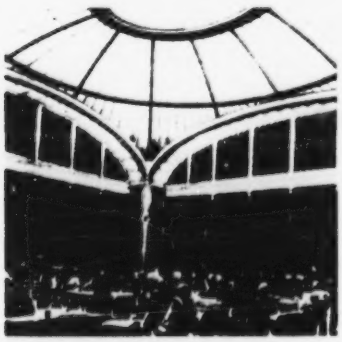


President Robinson with Henry Kaufman, Vartan Gregorian and Andrew Heiskell.

In doing this, ordinary people continually refresh and renew their own culture, their own way of being in the world. Culture is never static, confined to textbooks, or limited to that which has been identified and labelled by anthropologists. As Patrick Kavanagh, the Irish poet, powerfully noted:

> Culture is always something that was,
> Something that pedants can measure,
> Skull of bard, thigh of chief,
> Depth of dried-up river.
> Shall we be thus for ever?
> Shall we be thus for ever?

As Kavanagh knew, we shall not be thus for ever. In their own varied existences, people have always implicitly recognised the permanence of change, even as they are sometimes apprehensive about its scale or its consequences.



Forum attendees listening to President Robinson's eloquent speech.

One of the prime challenges facing education in this new age, therefore, must be to take sides in this battle of perspective—to question the notion that we are only consumers, and to reinstate the primacy of the human producer as an intelligent, rational maker of choices rather than merely as a passive consumer of objects. If this is accepted on a wider scale, we can work together towards the objective of preventing a market-oriented economy from becoming a market dominated economy, either nationally or globally.

The other clash of perspectives, in which I would argue that education should also take sides, is in relation to the proliferation of communications technologies. I have just noted what seems to me a danger that the globalisation of the economy will reduce people to a sort of passive consumerism. In relation to the communication media, precisely the same danger obtains. The more sophisticated and widespread the technology, the greater the risk that people in general will be reduced to the role simply of individual members of vast, aggregated audiences. The technology becomes the servant, not of information, but of entertainment alone. And even where it is also the servant of information, it echoes an agenda determined by ever smaller groups of professionals, however principled, skillful and well-meaning these may be.

But just as people are not only consumers but also producers, so also are they communicators as well as audiences. We communicate or we die. If we allow ourselves to be treated only as audiences we will wither on the vine. Production. Communication. These words are the currency of a new age in which the survival of each of us and the survival of the planet are inextricably intertwined. They are also aspects of human activity in which, as in other resource areas, there are rich and poor.

And that gap between the rich and the poor, in the economic and the information spheres, is not be any means clearly delineated by political lines on maps. The contrasts between North and South, between First World and Third World, which I have already emphasised, are only the more visible of

those that exist. We should not allow them to obscure the endemic and deeply structured inequalities within our own societies. The role of international education, in this context, cannot afford to be leisurely or reflective. It needs to be urgent, pro-active, innovative, looking through and beyond the formal institutional structures to identify and empower a new generation for the future.

Many of our new leaders will undoubtedly come from countries and societies that are regarded as poor by the standards of the Western industrialised world, but I suspect that they will have more than a little to teach us about values, standards and priorities.

They will be doing this in a world in which there are no longer any real blueprints—if there ever were. At the international level, mutual respect for cultural differences has achieved the status of a truism. If it is to become really productive, however, it has to be harnessed to an open and generous acceptance of the fact that other cultures harbour important values and truths, and that no one has a monopoly of wisdom. In these circumstances, the discernment and the education of leadership—the very definition of leadership itself—is of crucial importance for all our future.

International eduction needs to be urgent, pro-active, and innovative to empower a new generation for the future.

I sense that women leaders will give a lead in this. They will reach out to each other increasingly and in instinctive solidarity as the similarities of approaches worldwide become more evident. Here I include also the broad spectrum of women giving leadership in promoting self-help groups and networks, in providing access to credit facilities and legal expertise and in harnessing the energies to promote "bottom up" rural and urban regeneration. Indeed, a significant impact of the Beijing World Conference next year may be to accelerate this process of linkages between women leaders at all levels.

In all of this, international education will, in particular, strive to identify and foster a new paradigm of leadership, one in which two of your Institute's most central objectives—the institutionalisation of democracy and the building of civil society—are seen as essentially a cooperative endeavour rather than as a top-down activity.

Democracy itself, as a germ, has been unduly restricted to the political and parliamentary processes. Our new generation of leaders will, as a major priority, have to elaborate creative new forms of participation and involvement, by people at every level of society, in the power structures and institutions which shape their lives.

I do not, however, want to make it sound as if the future is full only of dangers, seen and unseen. It is also full of enormous hope and opportunity. Under the blackened devastation of famine and war in Africa, the green shoots of the human spirit are fighting their way to the surface. In the turmoil and insecurity of parts of Eastern Europe, there is an increasing desire, not to look to the West for instant solutions, but to fashion a new and fairer society out of the raw material immediately at hand—the human experience of their own people. Even in our own complex and highly industrialised societies, there is a growing recognition that material wealth is essentially a means to an end, rather than an end in itself.

What that end—that objective—is will be determined by the new generation of leaders of which I have spoken. There can be no better investment for the future than your investment in their potential, in their vision and in their energy.

Vartan Gregorian (left), Victor J. Goldberg, and Andrew Heiskell confer outside the Celeste Bartos Forum.

CLOSING REMARKS

RICHARD M. KRASNO

President and CEO, Institute of International Education

RICHARD M. KRASNO *is President and Chief Executive Officer of the Institute of International Education. Prior to IIE he was with the Ford Foundation, where he served in Rio de Janeiro, as well as in the Office for Middle East and Africa and the Office for Latin America and the Caribbean. In 1980 he served as Deputy Assistant Secretary for International Education in the U. S. Department of Education. Dr. Krasno has taught widely and was a Fulbright Professor in Spain.*

IN CONVENING THIS 75TH ANNIVERSARY FORUM, THE INSTITUTE WANTED TO TAP THE WISDOM OF PEOPLE who were not directly engaged in international education, but who would comment on the changing context of our work, examine the larger picture from a variety of perspectives, and generate a spirited exchange of ideas on human resource needs for the twenty-first century. Judging from today's stimulating and challenging discussions, I think we've met these goals.

To summarize the day's proceedings, let me sketch a few key ideas that emerged at the Forum—important issues to keep in mind for the future.

Senator Moynihan reminded us in his inimitable way of the importance of first-hand, on-the-ground immersion in another culture, especially in one's formative years.

In the morning session we heard about the rapidly changing nature of the global marketplace and the need for people willing to throw off the old, accustomed ways of doing business: economists who can spearhead fundamental reform; men and women with the ability to create infrastructure—the network of laws, regulations and procedures that investors rely on; and managers in government and private industry who are committed to formulating and implementing financial policies that are outward-looking rather than narrowly nationalistic. Clearly there is an important role here for international education in training a diverse pool of individuals with the broad perspective and international skills needed for success in a global marketplace.

In the afternoon session we heard about the profound ways new communications technology is affecting education. We heard about some of the potential benefits—linking people in worldwide information networks and using interactive media in education. We also heard about potential pitfalls, specifically to what extent electronic communication might replace face-to-face contact. Although technology can clearly make major contributions to the learning process, I must agree with Senator Moynihan that immersion in a culture is critical to the process of learning about it and acquiring the skills to function effectively within it. So, rather than diminish this component of international education, emerging technologies should be creatively combined with personal interaction to enhance the entire education experience. For example, studies show that the benefits of U.S. education and training for foreign nationals can decline without efforts to ensure periodic renewal. Developing mechanisms for continued long-term contact via electronic means would do much to help those who have studied internationally to stay energized and professionally current after their return home.

We also heard panelists reaffirm the importance of "cosmopolitanism," the ability to understand and appreciate cultural diversity. With the rapid pace of technological change in this information age, we must redouble our efforts to ensure that cultural context is understood, meaning is explored, and the values that inform our actions are appreciated. The experience of living and studying in another country can contribute to greater open-mindedness and tolerance—the mutual understanding that has traditionally been one of the primary objectives of international exchange programs, such as the Fulbright Program.

We also listened as President Robinson, in her eloquent and moving keynote address, commented on the changing nature of educational exchange and challenged us to be proactive and innovative as we seek to empower a new generation.

There are three key points I'd like to make. First, as we head toward the twenty-first century, we do indeed need to educate a new generation of leaders, both U.S. and foreign, with broad international experience. Over the past 40 years the government and foundations in the United States provided substantial resources to help train leaders of the developing world, enhance Americans' international expertise and thus facilitate critical political and economic linkages. Today most U.S. foundations give far greater priority to domestic issues, and government funding for the flagship Fulbright program, cut back sharply in the late 1960s, is only beginning to recover in real terms. Meanwhile, members of generations trained earlier are retiring without replacements.

While there is growing recognition that Americans must increase their basic international literacy if they are to remain competitive in world markets, more must be done. We need to recommit ourselves to increasing study and professional development opportunities for America's future leaders—making a more concerted effort to expand opportunities for under-represented groups in American society.

We also need to increase the flow of students and professionals from abroad to study and train in the United States so that they can establish professional contacts and gain a direct understanding of this country's values and institutions.

Secondly, international education encompasses much more than students pursuing academic degrees. These other initiatives include short-term training for mid-career professionals, internships, participation in short courses, practical training, four-to-six week visits to the United States to meet with counterparts, and technical assistance. We need to think creatively about expanding these opportunities, targeting areas in which international cooperation is needed—for example, helping to develop non-governmental institutions in nations where an NGO sector is weak or nonexistent, protecting the environment, guarding against human rights abuses, extending the rule of law, and managing communications technologies.

Third, let me emphasize how important funding partnerships between the public and private sector will be to the success of training leadership for the twenty-first century—and make a special plea to U.S. multinational corporations. I know there have been difficult years for corporations. But certain realities remain. With NAFTA and GATT, our countries and our economies are linked as never before. While new trade opportunities have been created, they are paralleled by a growing number of shared problems that require international cooperation. As corporations realize the strategic importance of global competence to function in a global marketplace, they will need to expand the scope of their management training. Further, they will need to expand their spheres of corporate responsibility to encompass new international needs. Scholarship and training programs can help U.S. business not only to develop international skills among their own U.S. employees, but also to establish new international partnerships, modes of communication and patterns of relationships with new trading partners as well as potential customers and employees that can benefit the economy as a whole.

Those of us in international education must encourage business leaders to train more people in new ways. For example, U.S. business can play an important role in helping to develop free-market economies in the newly independent states in

John P. Loiello (left), Associate Director, Bureau of Educational and Cultural Affairs, USIA, Howard Dodson, Richard M. Krasno, and Andrew Heiskell.

Garrick Utley, news correspondent and IIE alumnus, relaxes between sessions.

which they do business by investing in human resources. Hard-currency investment in countries that are now democratizing demands skilled personnel. Without that, much of the promise of the transition simply won't be realized.

But the responsibility is a shared one. In an era of scarce financial resources, successful new initiatives will depend on leveraging these resources and forging effective partnerships. These partnerships must wisely utilize money, talent and expertise not only from the corporate sector, but also from foundations, universities, volunteer groups, international organizations, and government agencies such as USIA and USAID. IIE has had a long history of serving as a bridge between these sectors—a role we will continue in the future.

In an era of scarce financial resources, successful new initiatives will depend on leveraging these resources and forging effective partnerships.

To illustrate, let me leave you with three examples of new programs with which the Institute is involved.

With support from the AT&T Foundation, IIE has launched an American-European Engineering Exchange with a consortium of 19 U.S. engineering schools and European colleague institutions to provide opportunities for their students to study and receive practical training abroad. In the first year, IIE will be working with universities in France, Germany, and Austria.

A second program is designed to help establish a framework for the rule of law in Russia. IIE is working with the American Bar Association's Central and East European Law Initiative (CEELI) office to implement a comprehensive training program for lawyers in the former Soviet Union. Funded by USAID, this program will provide short-term training courses, seminars and workshops to approximately 1,700 lawyers over the two years of the project.

Finally, I am especially pleased to announce an innovative program funded by The Henry Luce Foundation. The Elisabeth Luce Moore Leadership Program for Chinese Women was established to honor Mrs. Moore in recognition of her contributions to IIE as a trustee for over 46 years, as Chairman of the Board from 1959 to 1963, and as one of our current Life Trustees. This new four-year program will bring eight women leaders per year (four from China, two from Hong Kong and two from Taiwan) from NGOs and community organizations to the United States for month-long study tours of training and cultural exchange. Each year the program will focus on NGO activity in a particular field: the arts; education and youth; the environment/consumer affairs; and health care.

These are extremely important initiatives. The American-European Engineering Exchange focuses on a group not traditionally involved in international study. The USAID-funded law program goes to the heart of building a civil society in Russia; and the Luce program not only targets women, but also brings together participants from China, Hong Kong and Taiwan and focuses on developing leadership in the non-governmental sector.

We need more programs like these. Over its first 75 years, IIE has seen the number and variety of its programs increase dramatically to meet the changing needs of American and international students. The Institute's role is even more crucial now, with the advent—and phenomenal growth—of global economics and communication links. Today's sessions have reinforced the Institute's commitment to developing—with your help and participation—innovative initiatives that will train a new generation of leaders for the twenty-first century.

We promise to keep you posted.

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